

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

64159477
125
United States
Department of
Agriculture

Economic
Research
Service

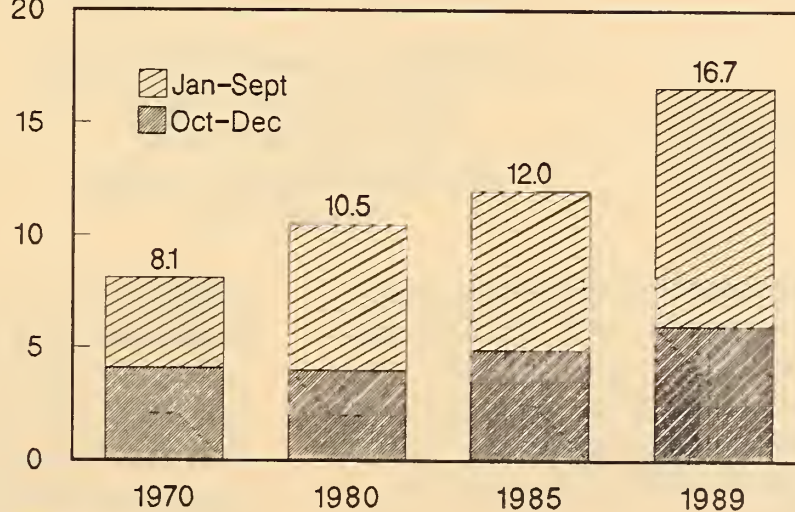
LPS-38
November 1989

Livestock and Poultry

Situation and Outlook Yearbook

Turkey Consumption Trends

Lbs. per person
20



1989 estimated.

Contents

	Page
Summary	3
Factors Affecting Livestock and Poultry	5
Poultry and Eggs	5
Turkeys	5
Broilers	7
Eggs	8
U.S. Poultry Trade	14
Livestock and Red Meats	16
Hogs	16
U.S. Pork Trade	22
Cattle	24
U.S. Cattle and Beef Trade	27
Sheep and Lambs	34
Special Article	
Factors Affecting Growth in Turkey Consumption	43

Principal Contributors (202) 786-1285

Coordinator Leland Southard
Leland Southard (Factors Affecting Livestock and Poultry)
Larry Witucki (Turkeys and Poultry Trade)
Lee Christensen (Broilers and Eggs)
Kevin Bost (Hogs)
Shayle Shagam (Pork Trade)
Steve Reed & Ron Gustafson (Cattle)
Linda Bailey (Beef and Lamb Trade)
Rich Stillman (Sheep and Lamb)

Statistical Assistants (202) 786-1284

Polly Cochran (Livestock)
Maxine Davis (Poultry)
Electronic World Processing
Erma McCray

Approved by the World Agricultural Outlook Board. Summary released Tuesday, November 14, 1989. The next summary of the *Livestock and Poultry Situation and Outlook* is scheduled for release in late January 1990. Summaries of Situation and Outlook reports, including tables, may be accessed electronically through the USDA EDI system. For details, call (202) 447-5505.

The present forecasts will be updated, if needed, in the *World Agricultural Supply and Demand Estimates* scheduled for release on December 12, 1989, and January 11, 1990.

The *Livestock and Poultry Situation and Outlook* is published six times a year. Subscriptions are available from ERS/NASS, Box 1608, Rockville, MD 20850, or call, toll free, 1-800-999-6779 (8:30-5:00 ET). Rates: 1 year \$15, 2 years \$29, 3 years \$42. Foreign customers add 25 percent for subscriptions mailed outside the United States. Make check payable to ERS/NASS.

Time to renew? Your subscription expires in the month and year shown on the top line of your address label. If your subscription is about to expire, renew today. Call 1-800-999-6779.

Summary

Red Meat and Poultry Production at Record Levels

Total red meat and poultry production is expected to set a record in 1989 and again in 1990. Among the major components, only beef production may decline in 1989, reflecting the reduced cattle inventory. In 1990, production may increase because of more fed beef. In both years, pork output could remain relatively large. Broiler output will continue to grow because producers' returns generally have been positive in recent years. Turkey production also is expected to grow but at a lower rate than broilers because returns are being squeezed.

Consumers will find adequate supplies of turkey and ham for the holiday season. Prices likely will be lower for turkeys but higher for hams than last year. Turkey production in the fourth quarter may be about 12 percent above a year ago, with frozen stocks up slightly. Ham supplies are expected to decline slightly despite an increase in cold storage stocks.

More meat and poultry and weaker growth in per capita income could pressure market prices in 1990. Increased red meats will be about offset by population growth. As a result, prices of Choice steers and barrows and gilts should be a little above 1989's average. However, with higher per capita output, wholesale poultry prices are expected to decline moderately.

Beef and veal exports could reach a record 1 billion pounds, up 46 percent from 1988 due largely to liberalization of the Japanese market. In 1990, exports may rise 12 to 15 percent over 1989. Beef and veal imports in 1989 might decline about 8 percent from 1989 because of lower supplies from Australia. Declines are likely in 1990 on smaller shipments from New Zealand.

U.S. pork imports in 1989 of about 950 million pounds would be 16 percent below 1988 as imports decline from all major sources. Imports in 1990 may increase to about a billion pounds, if Danish production continues to increase. U.S. pork exports, mostly to Mexico and Japan, should be about 240 million pounds in 1989, up from 195 million in 1988. Consessionary sales to Eastern Europe and the Soviet Union may help boost exports in 1989 and 1990. In 1990, pork exports may decline to around 205 million pounds.

Broiler exports may reach a record this year, about 937 million pounds, a 22-percent increase. Most of the sales are commercial rather than programs such as EEP. The USSR bought U.S. broilers for the first time since 1980. For 1990, broiler exports could be down slightly. Reduced egg supplies raised prices in 1989 and strong returns may increase output in 1990.

Table 1--Livestock, poultry, and egg production and prices (All percent changes shown are from a year earlier.)

Item	1988			1989					1990 1/		
	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Million pounds											
Production:											
Beef	6,185	5,755	23,424	5,529	5,777	5,892	5,600	22,798	5,525	5,775	23,000
% change	2	-2	0	-3	0	-5	-3	-3	0	0	1
Pork	3,775	4,331	15,623	3,887	3,928	3,789	4,225	15,829	3,975	3,850	16,000
% change	12	7	9	3	5	0	-2	1	2	-2	1
Lamb & mutton	80	84	329	87	80	82	83	332	85	82	330
% change	4	4	6	2	0	+2	-1	1	-2	+1	1
Veal	99	99	387	91	85	84	85	345	90	85	345
% change	0	-5	-7	-6	-8	-15	-14	-11	-1	0	0
Total red meat	10,139	10,269	39,763	9,594	9,871	9,847	9,993	39,304	9,675	9,792	39,675
% change	5	2	3	-1	2	-3	-3	-1	1	1	1
Broilers 2/	4,035	4,015	16,124	4,129	4,389	4,394	4,300	17,212	4,470	4,700	18,485
% change	2	3	4	3	9	9	7	7	8	7	7
Turkeys 2/	1,066	1,040	3,923	804	1,014	1,176	1,170	4,164	900	1,100	4,350
% change	-3	-4	6	-4	3	10	12	6	12	9	4
Total poultry 3/	5,212	5,180	20,587	5,070	5,539	5,702	5,600	21,910	5,510	5,940	23,375
% change	0	1	4	2	6	9	8	6	9	7	7
Total red meat and poultry	15,351	15,449	60,350	14,664	15,410	15,549	15,593	61,214	15,185	15,732	63,050
% change	4	2	4	0	3	1	1	1	4	2	3
Million dozen											
Eggs	1,421	1,446	5,772	1,391	1,394	1,388	1,425	5,598	1,400	1,410	5,700
% change	-1	-2	-1	-6	-2	-2	2	3	1	1	2
Prices											
Dollars per cwt											
Choice steers, Omaha 1000-1100 lb.	66.92	70.14	69.54	73.67	73.85	70.09	71-73	72-73	72-78	72-78	71-77
Barrows and gilts, 7-markets	44.24	38.66	43.39	40.78	41.84	46.07	45-47	43-44	41-47	42-48	42-48
Slaughter lambs, Ch., San Angelo	59.02	62.98	68.26	69.29	74.79	66.29	62-64	68-69	66-72	74-80	66-72
Cents per pound											
Broilers, 12-city avg. 4/	66.1	57.9	56.3	59.4	67.1	59.7	50-52	59-60	48-54	50-56	49-55
Turkeys, Eastern region 5/	72.4	72.4	61.5	62.4	71.1	62.3	63-65	64-65	55-61	53-59	57-63
Cents per dozen											
Eggs New York 6/	72.9	67.3	62.1	78.6	75.2	81.5	84-86	80-81	75-81	69-72	66-72

1/ Projected. 2/ Federally inspected. 3/ Includes broilers, turkeys, and mature chickens. 4/ Wholesale weighted average. 5/ Wholesale, 8- to 16-pound young hens. 6/ Cartoned, consumer Grade A large, sales to volume buyers.

00AB-A1

Factors Affecting Livestock and Poultry

For U.S. livestock and poultry producers, the news for 1990 is a continued slowdown in the economy. The general economy is growing only modestly, while interest rates slip slowly and inflation eases a bit. However, real per capita income growth is expected to be weaker than in 1989. Expected sluggish fourth-quarter real GNP growth and slowing inflation suggest the Federal Reserve may ease monetary policy very slowly. Expected lower interest rates should stimulate growth over the next 6 to 12 months. The bank prime interest rate, which has been steady since summer's 1-percentage point drop, may drop again by the end of the year. The prime rate is expected to average 10.7 to 10.9 percent for 1989 but may average about 1 percentage point less in 1990. Real GNP growth is expected to average slightly less than 3 percent in 1990, down slightly from 1989. The rate of inflation, as measured by the GNP price deflator, is expected to average between 4 and 4.5 percent in 1989, but drop in 1990 about 0.5 percent below 1989. Real per capita income may rise nearly 3 percent in 1989 compared with 3.4 in 1988. In 1990, the growth is expected to be weaker, averaging around 2 percent.

Since the peak in September against the D-mark and yen, the dollar has dropped, but still remains relatively strong against those currencies. The decline is attributed to the concerted selling of dollars by the Central banks and falling U.S. interest rates relative to other countries, further lessening the dollar's appeal to investors and speculators. For next year, the dollar exchange value is not expected to change much from current levels but primarily will be influenced by the U.S. budget deficit and Federal Reserve policies.

With much improved weather this year, corn and soybean production rebounded and feed costs dropped as crops progressed. Corn production in 1989/90 is estimated at 7.59 billion bushels compared with only 4.92 in 1988/89. The farm price is expected to average \$2.00 to \$2.40 per bushel in 1989/90 compared with \$2.54 in 1988/89. Soybean production is estimated at 1.94 billion bushels in 1989/90, up 389 million bushels from 1988/89. Soybean meal prices are expected to average \$150-\$180 per ton in 1989/90 compared with \$233 in 1988/89. The lower prices have reduced feed costs, especially for pork and poultry producers.

Poultry and Eggs

Turkeys

Production Up in 1989— Strong Second-Half Growth

Turkey production for 1989 is expected to be up about 6 percent, at 4.2 billion pounds. Turkey production in the third quarter of 1989 was 10 percent above a year earlier and will

likely increase 12 percent during the fourth quarter compared with last year. The basis for the 1989 production expansion in the industry began in the second half of 1988 when turkey prices recovered and net returns to producers became positive. Poult placements began to rise notably in March of 1989. Increasing wholesale prices during the first half of this year, including a rise to record levels during the second quarter, kept the planned expansion on track as net returns improved. Finally, producer expectations of lower feed prices in late 1989 probably extended the expansion even after wholesale prices began declining in July.

Table 2--Federally inspected turkey slaughter, 1988-89

Year	Number	Average weight	Live-weight	Certified RTC
	Million	Pounds	- Million pounds -	
1988				
I	50.3	21.0	1,054.0	836.6
II	60.0	20.6	1,236.3	981.1
III	65.7	20.4	1,343.3	1,065.6
IV	61.4	21.4	1,314.2	1,040.1
Year	237.4	20.8	4,947.7	3,923.4
1989				
I	47.9	21.2	1,012.0	803.5
II	61.8	20.7	1,278.7	1,014.3
III	72.4	20.5	1,483.0	1,176.4
IV				
Year				

Table 3--Turkey hatchery operations, 1986-89 1/

	Total turkeys placed 2/			Eggs in incubators first of month, changes from previous year		
	1986-87	1987-88 3/	1988-89	1986-87	1987-88	1988-89
	- - - Thousands - - -			- - - Percent - - -		
Sept.	13,620	15,024	15,725	18	16	7
Oct.	14,135	16,743	16,821	17	18	5
Nov.	13,836	17,714	18,413	11	21	4
Dec.	17,705	19,956	20,444	18	15	6
Jan.	21,646	22,315	23,149	27	10	4
Feb.	21,265	23,100	23,675	14	8	6
Mar.	25,401	25,101	26,892	19	4	5
Apr.	26,703	24,718	26,366	17	-1	6
May	26,623	25,559	28,647	16	-5	9
June	27,265	26,075	29,098	15	-3	13
July	25,999	23,677	26,510	19	-5	15
Aug.	19,889	19,458	23,003	22	-5	21

1/ Breakdown by breed not shown to avoid disclosing individual operations. 2/ Excludes exported poults. 3/ Includes revised calendar year 1987 numbers.

Prices Strengthened Seasonally

Faced with large increases in production, wholesale turkey prices dropped in July, August, and early September. After dropping to about 55 cents per pound by mid-September, Eastern Region wholesale hen turkey prices began to rise in response to buying for the holiday season, to about 70 cents by mid-November. Prices are expected to weaken before the end of 1989 as the seasonal buying recedes, and average 64 cents during the fourth-quarter compared with 72 cents a

Table 4--Turkey prices and price spreads, 1987-89

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
Cents/lb.													
Farm price 1/:													
1987	35.1	35.8	35.7	36.3	35.5	34.1	33.5	32.1	31.3	30.2	34.0	38.4	34.3
1988	31.8	29.0	28.2	28.4	29.7	31.6	39.4	41.6	45.7	47.8	47.6	37.6	36.5
1989	35.4	38.3	40.0	42.3	43.4	44.0	41.5	41.3	37.3	38.5			
New York, hens, 8-16 lbs 2/:													
1987	55.3	58.5	60.3	58.3	55.3	55.7	56.3	56.1	56.1	54.7	60.7	66.5	57.8
1988	52.8	47.1	47.0	46.9	49.2	57.1	70.8	70.5	76.0	79.6	76.0	61.6	61.2
1989	59.0	62.2	65.7	68.3	72.1	73.0	66.4	62.6	57.9				
4-region average retail price, wholebirds:													
1987	103.6	103.2	103.0	100.4	102.8	105.1	105.8	105.1	103.3	102.6	90.0	89.3	101.2
1988	93.1	92.9	91.0	89.4	92.9	92.9	96.0	99.5	100.6	104.0	99.2	97.1	95.7
1989	97.4	96.8	97.6	98.3	100.1	101.3	104.6	104.1	102.0				
Price spreads, retail-to-consumer:													
1987	39.8	37.4	35.4	33.4	37.3	40.1	41.1	41.8	39.0	38.3	22.0	13.5	34.9
1988	29.8	35.0	33.4	33.0	35.1	24.6	23.7	21.0	17.3	16.5	14.7	26.7	25.9
1989	29.8	29.9	25.7	23.2	20.7	20.7	30.2	32.3	34.2				
1982-84 = 100													
Consumer pr. index 3/:													
1987	113.3	111.6	112.0	109.6	111.6	111.8	112.1	111.6	109.4	109.2	103.5	103.9	110.0
1988	107.7	107.2	107.2	107.5	108.3	109.3	109.8	112.4	114.2	115.5	113.1	113.3	110.5
1989	114.2	116.3	118.7	121.5	123.2	124.1	126.0	124.6	124.4				

1/ Liveweight. 2/ Wholesale, ready-to-cook. 3/ Other poultry CPI.

year ago. For 1989 overall, the higher average price reflects the strength in the first half of the year and is expected to be 64-65 cents per pound compared with 1988's 61.5 cents.

Consumption Increases

Consumption in the third quarter, after a sluggish first half, increased to about 4 pounds per person, a record for the third quarter. Heavy holiday featuring this year could result in record fourth-quarter consumption of about 6 pounds per person, which would result in record consumption for the year of about 16.7 pounds.

Turkey retail prices began declining in August, and fourth-quarter retail prices are expected to be below last year's

\$1.00 pound as large supplies stimulate featuring. Retail pork prices, in contrast, are expected to be higher than last year, which should favor turkey purchases. Turkey stocks increased by 27 percent during the third quarter to 578 million pounds on October 1, 1 percent above a year earlier but about 7 percent below the record of 1987.

Net Returns average Slightly Below Breakeven

Average net returns are expected to be slightly negative in the fourth quarter and for all of 1989. This is expected to be the third consecutive year that turkey producers' estimated net returns averaged slightly below breakeven.

Figure 1
Fourth-Quarter Turkey Consumption
As Share of Total

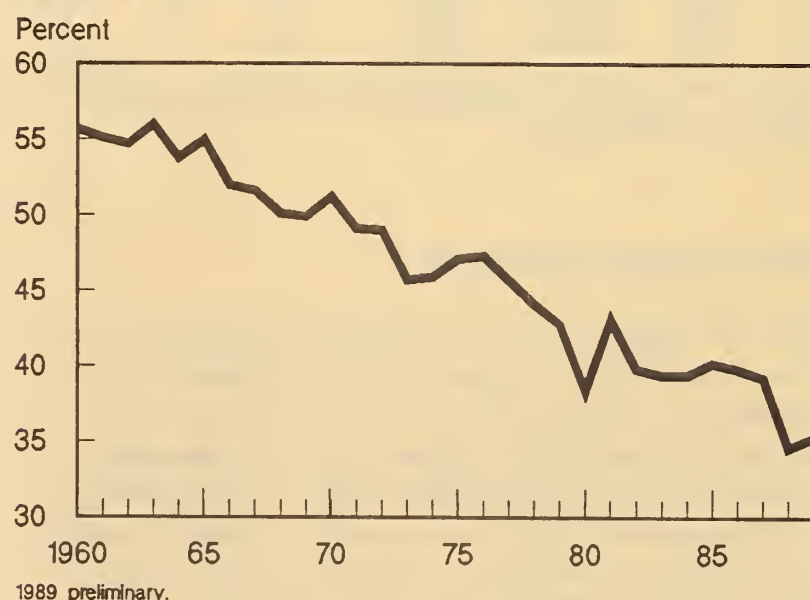
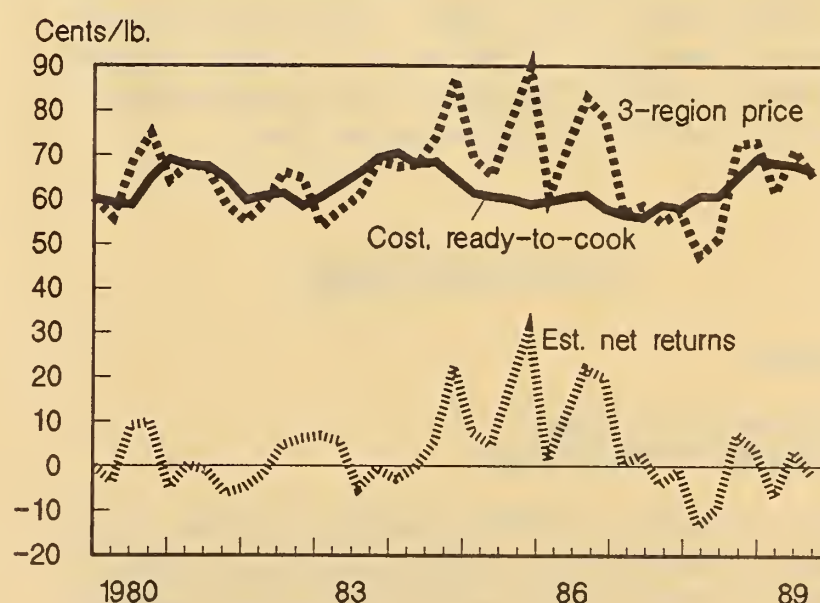


Figure 2
Turkey Costs and Returns



Despite the September turnaround in prices, estimated net returns were below breakeven in September, the poorest since January. Although returns increased in October, they were still slightly negative.

Production Leaders Gained in 1989

The USDA preliminary estimate of turkeys raised during 1989, 254.7 million birds, is up 5 percent from 1988. North Carolina, Minnesota, and California, the leading States, each showed above-average increases. Their combined share is nearly 49 percent of production in 1989, up from 47 percent in 1988 and 43 percent in 1980. Arkansas and Missouri also had large increases in production in 1989.

Growth To Continue in 1990

Turkey production for all of 1990 is expected to be 5 percent greater than in 1989. Production for first-quarter 1990 is estimated to exceed that of a year earlier by 12 percent. Turkey poult placements in October were up 20 percent compared with a year earlier. However, continued negative net returns in late 1989 may reduce future placements, which could impact second-quarter 1990 production.

Given expectations of large first-quarter 1990 production, turkey prices are expected to weaken. Eastern region wholesale prices are expected to average 55-61 cents a pound during first-quarter 1990, down from 62 cents a year earlier. A lower average annual price is expected for 1990,

57-63 cents per pound compared to 55-61 cents in 1989. With strong production growth, retail turkey prices are expected to continue easing. They could average 90-96 cents a pound during first-quarter 1990 compared to 97 cents in 1989. Conversely, red meat retail prices are expected to be slightly higher in 1990, enhancing prospects for future growth in per capita consumption of turkey.

Broilers

Production Growth Continues

Broiler production is expected to increase about 7 percent 1989, extending the long-run expansion of the 1980's. Total federally inspected production increased 42 percent from 1980 through 1988, from 11.3 billion pounds to 16.1 billion pounds. During this period, per capita consumption increased from 42 to 62 pounds. When 1989 is completed, production from 1980 through 1989 will likely have increased over 50 percent to 17.2 billion pounds, and per capita consumption to 65 pounds. Fourth-quarter broiler production will likely increase 6-7 percent, reflecting a 6-percent increase in chicks placed during September and October.

Broiler Prices Weaken

Broiler prices fell below year-earlier levels in the second half of 1989, following a strong first half when average prices for the first and second quarters were about 30 and 20 percent, respectively, above 1988. Prices fell in the second half due to increasing total supplies of meats, mainly poultry. Also influencing prices as summer drew to a close were seasonal factors such as the end of summer cookouts and vacations. The 12-city wholesale broiler price averaged about 60 cents per pound in the third quarter, and will likely decline to 50-52 cents in the fourth quarter as large supplies work through the market.

Positive Net Returns Continue

The broiler industry has experienced eight consecutive quarters of positive net returns, beginning with the first

Table 5--Turkeys: Number raised, 1985-89

States	1985	1986	Total 1987	all breeds 1988	1989
			1,000 head		
Ark.	16,000	16,500	18,000	18,000	19,300
Calif.	20,500	21,900	25,500	26,500	30,300
Colo.	2/	2/	2/	2/	2/
Conn.	35	40	30	30	30
Del.	11	3/	3/	3/	3/
Ga.	2,631	2,426	2,432	2,400	2,100
Ill.	213	347	698	1,700	2,490
Ind.	6,941	9,370	13,000	13,200	13,600
Iowa	6,300	7,000	8,500	7,800	7,600
Kans.	275	104	193	226	146
Md. 3/	129	125	133	135	130
Mass.	156	145	140	150	150
Mich.	2,300	2,700	3,000	3,000	3,000
Minn.	30,400	34,200	40,500	38,500	42,500
Mo.	12,500	13,500	15,500	16,500	17,300
Nebr.	850	1,437	1,942	1,770	1,820
N.H.	28	26	26	26	26
N.J.	88	100	115	100	100
N.Y.	314	343	437	343	368
N.C.	31,850	39,100	48,350	47,900	50,700
N. Dak.	900	1,000	1,240	1,200	1,250
Ohio	2,800	3,100	3,400	3,600	4,400
Okla.	2/	2/	2/	2/	2/
Oreg.	1,300	1,540	1,830	1,800	2,200
Pa.	7,100	7,800	8,000	7,900	8,600
S.C.	2,194	3,900	3,950	5,570	4,100
S. Dak.	1,723	1,968	2,376	2,370	2,300
Tex.	2/	2/	2/	2/	2/
Utah	3,082	3,390	3,731	3,900	3,450
Va.	13,066	14,307	16,200	16,300	2,940
W. Va.	2,400	2,220	2,400	2,300	16,100
Wisc.	6,150	6,128	5,450	2/	2/
Oth.	12,400	12,500	13,316	19,250	17,740
U.S.	185,292	207,216	240,389	242,470	254,740

1/ 1988 revised. 1989 preliminary based on turkeys placed September 1, 1988 through August 31, 1989. Excludes young turkeys lost. 2/ Colo., Okla., and Tex. combined to avoid disclosing individual operations. 3/ Maryland and Delaware combined.

Table 6--Federally inspected young chicken slaughter, 1988-89

Year	Number	Average weight	Live-weight	Certified RTC
	Million	Pounds	- Million pounds -	
1988:				
I	1,267	4.35	5,511	3,996
II	1,303	4.30	5,611	4,079
III	1,316	4.19	5,530	4,035
IV	1,272	4.36	5,555	4,015
Year	5,159	4.30	22,208	16,124
1989:				
I	1,310	4.35	5,698	4,130
II	1,907	4.33	6,028	4,389
III	1,411	4.29	6,048	4,394
IV				
Year				

Table 7--Broiler chicks hatched and pullet chicks placed in hatchery supply flocks, 1987-89

Month	Broiler-type chicks			Pullet chicks placed in broiler hatchery supply flocks						
				Monthly placements			Cumulative placements 7-14 months earlier			
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1990
	Thousands									
January	439,442	468,333	481,284	4,077	3,389	3,820	29,039	33,028	31,691	32,889
February	405,252	432,813	442,816	3,699	4,038	3,963	29,427	33,254	31,539	33,243
March	456,081	483,353	502,466	4,111	4,538	4,396	29,523	32,805	31,470	33,619
April	455,679	464,386	493,503	4,713	3,831	4,195	29,722	32,185	32,043	34,144
May	473,827	487,027	522,896	4,055	4,197	4,439	30,148	32,612	32,136	
June	461,421	473,782	509,837	4,181	3,818	4,330	30,242	32,264	31,194	
July	463,321	473,394	511,774	3,995	3,611	3,950	30,603	31,668	31,513	
August	455,676	479,734	509,291	3,974	4,048	4,526	30,742	31,002	31,136	
September	433,769	455,183	484,030	3,457	3,962	4,345	30,926	30,859	31,281	
October	441,893	456,819		4,126	4,131		31,365	31,402	32,066	
November	423,147	437,967		3,763	3,596		32,232	31,259	32,213	
December	469,720	488,248		4,117	4,150		32,693	31,999	32,690	

quarter of 1988. The combination of continued relatively high broiler prices in the first half of the year and declining feed prices resulted in estimated net returns averaging 12 cents per pound during the first three quarters of 1989. Prices of corn and soybean meal, key feed ingredients for broiler production, declined through much of 1989 in contrast to the drought-induced price increases of 1988. Third-quarter net returns were about 10 cents per pound compared to 15-16 cents a year earlier. Fourth-quarter returns are estimated at 3-5 cents per pound.

1990 Outlook

Broiler production in 1990 is anticipated to increase by about 7 percent, similar to 1989. Expansion will be encouraged by current and expected positive net returns. Anticipated lower corn and soybean meal prices in 1990 will partially offset anticipated wholesale broiler price declines. Prices for 1990 are expected to be in the 49-55-cents per pound range, with the first quarter prices 48-54 cents per pound. Returns should remain positive through 1990, given estimates of lower feed costs, but below 1989 levels. Lower average retail prices for whole broilers are anticipated for 1989, down about 10 cents to the low 80-cents-per-pound range.

The size of the hatching egg laying flock is an indicator of the short-run capacity to produce broiler chicks. The flock was up 4 percent on October 1 compared to a year earlier, suggesting intentions to expand production in early 1990. Cumulative broiler pullet placements in the broiler hatchery supply flock also indicate continued production growth in 1990. These placements indicate the future size of the hatching egg flock and potential for longer run broiler production expansion. Pullets placed in September will enter the supply flock in April and their initial offspring will be slaughtered approximately 2 1/2 months later. September placements were 10 percent above a year earlier.

Broiler consumption should continue to increase, given expectations of continued but slower growth in personal income and lower prices of broilers relative to other meats. Per capita consumption of broilers is expected to increase by about 4 pounds to around 69 pounds.

Eggs

Total Egg Production Down in 1989

Total egg production in 1989 is expected to be down about 3 percent, at 5.6 billion dozen, reflecting industry adjustments to the losses incurred by table egg producers throughout most of 1987 and 1988. Table egg production will likely decline around 4 percent, but hatching egg production will likely be up about 3 percent. Total production in the third quarter was down around 2 percent. Flock rebuilding is occurring, but total production in the fourth quarter is still expected to be 1-2 percent below last year.

Table Egg Production Declines

Table egg production during the third quarter was down about 3 percent, and fourth quarter production will likely be 2-3 percent below a year earlier. The total laying flock on October 1 was about 3 percent below a year ago, but the hatching egg flock was 4 percent larger. The table-egg-type laying flock was down about 3 percent, reflecting caution on the part of table-egg producers. While net returns in 1989 have been the best in years, producers appear to remember the substantial losses experienced in 1987 and 1988 and flock expansion is not occurring as rapidly as might otherwise be expected. It is likely that some earnings are going to debt repayment, thus contributing to a more solid basis for possible future expansion.

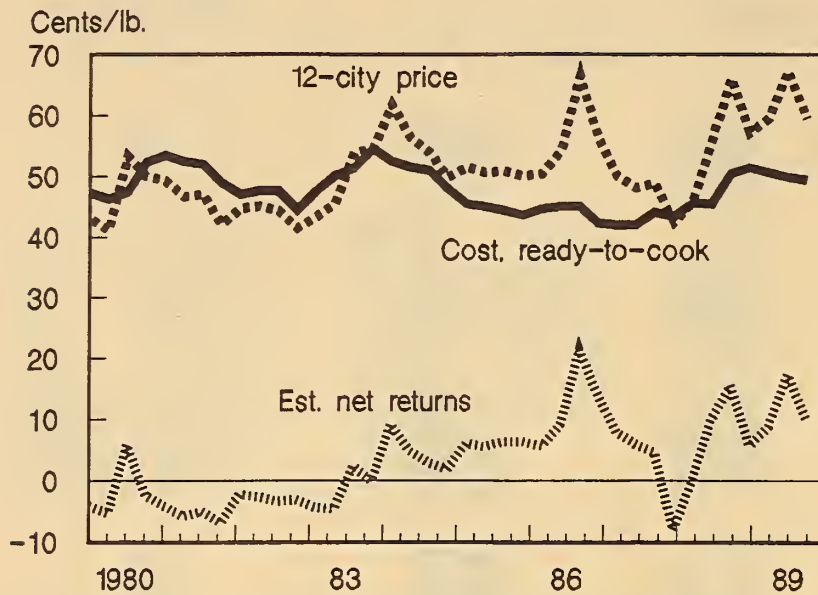
Table 8--Broilers: Eggs set and chicks placed weekly in 15 commercial States, 1988-89 1/

Period 2/ Month and day 2/	Eggs set			Chicks placed		
	1988	1989	Change from previous year	1988	1989	Change from previous year
	- - - Thousands - - -	- - - Thousands - - -	Percent	- - - Thousands - - -	- - - Thousands - - -	Percent
January:						
7	120,343	123,924	3.0	97,828	96,455	-1.4
14	119,110	120,196	0.9	96,217	98,766	2.6
21	117,221	123,060	5.0	95,821	99,037	3.4
28	116,189	124,909	7.5	95,485	98,472	3.1
February:						
4	120,360	125,503	4.3	94,646	95,785	1.2
11	121,008	126,105	4.2	92,688	97,428	5.1
18	122,182	126,909	3.9	91,743	99,542	8.5
25	123,274	127,505	3.4	95,904	101,011	5.3
March:						
4	122,655	127,649	4.1	96,675	100,500	4.0
11	122,548	128,064	4.5	98,042	100,464	2.5
18	122,294	128,159	4.8	98,992	102,085	3.1
25	120,499	127,530	5.8	98,633	102,691	4.1
April:						
1	123,171	129,919	5.5	98,344	102,082	3.8
8	121,617	130,910	7.6	99,206	101,730	2.5
15	122,862	130,855	6.5	96,838	102,758	6.1
22	121,565	131,202	7.9	98,733	103,511	4.8
29	120,460	130,666	8.5	98,592	104,674	6.2
May:						
6	121,812	130,518	7.2	99,303	105,459	6.2
13	122,619	131,217	7.0	98,793	105,331	6.6
20	122,293	132,663	8.5	96,985	105,140	8.4
27	123,435	132,044	7.0	97,893	105,636	7.9
June:						
3	123,014	133,164	8.3	98,610	105,667	7.2
10	124,321	133,169	7.1	98,459	106,159	7.8
17	123,365	132,761	7.6	99,710	105,478	5.8
24	122,384	132,529	8.3	98,698	107,043	8.5
July:						
1	114,282	123,627	8.2	100,225	106,540	6.3
8	120,811	128,514	6.4	99,702	106,449	6.8
15	121,312	128,997	6.3	98,092	106,589	8.7
22	121,136	129,885	7.2	89,723	99,736	11.2
29	121,960	128,993	5.8	96,510	103,718	7.5
August:						
5	121,325	127,936	5.5	96,789	103,062	6.5
12	122,939	128,954	5.0	97,200	102,691	5.6
19	122,363	129,445	5.8	97,410	103,580	6.3
26	121,971	128,609	5.4	97,189	102,042	5.0
September:						
2	119,074	126,559	6.3	98,410	102,917	4.6
9	115,378	122,769	6.4	98,148	103,941	5.9
16	110,022	117,860	7.1	96,716	104,093	7.6
23	116,402	120,861	3.8	94,775	101,332	6.9
30	120,398	126,858	5.4	92,289	97,094	5.2
October:						
7	118,694	127,043	7.0	85,249	91,722	7.6
14	113,223	123,210	8.8	92,763	96,515	4.0
21	109,193	117,715	7.8	96,230	101,599	5.6
28	114,921	118,689	3.3	94,948	102,015	7.4

1/ 15 States: Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N.C., Pa., S.C., Tenn., Tex., Va., and W. Va.

2/ Weeks in 1989 and corresponding weeks in 1988.

Figure 3

Broiler Costs and Returns**Hatching Egg Production Increases**

Broiler hatching egg production increased in 1989 to supply chicks for the broiler industry expansion. Broiler hatching eggs produced during September were 4 percent above September 1988, and the hatching egg flock on October 1 was 4 percent greater. Hatching egg production for all of 1989 is expected to be about 4 percent above a year earlier.

Egg Prices Strong

Egg prices continue strong. The New York wholesale price for large eggs averaged 84 cents per dozen in September and 85 cents per dozen in October compared with 76 and 66 cents per dozen for September and October 1988. The higher prices primarily reflect lower production and some impact from the continued collection of eggs for sale to Mexico. Fourth-quarter prices are expected to be 84-86 cents per dozen compared with 67 cents in the fourth quarter of 1988.

Net Returns Positive

High egg prices and declining feed costs combined in 1989 to provide egg producers the longest sustained period of posi-

tive net returns in over 10 years. Net returns in the third quarter were about 16 cents per dozen and will likely be 14-18 cents during the fourth quarter. It is unusual, given the normal cyclical nature of egg prices, for average net returns to be positive for all quarters of a year. The last time it occurred was in 1976. Its occurrence in 1989 reflects the reduced production of table eggs throughout the year and the resulting higher prices. Returns in the first quarter of 1990 are expected to continue positive at around 8-12 cents per dozen.

Table 9--Estimated costs and returns, 1988-89 1/

Year	Production costs		Wholesale		Net returns
	Feed	Total	Total costs 2/	Price 3/	

Market eggs (cents/doz.)					
1988:					
I	26.1	44.3	64.8	57.1	-7.8
II	27.1	45.3	65.8	54.6	-11.2
III	34.1	52.3	72.8	73.6	0.7
IV	33.5	51.7	72.2	70.4	-1.8
Year 4/	30.2	48.4	68.9	63.9	-5.0
1989:					
I 5/	32.8	51.0	71.5	82.9	11.3
II	32.2	50.4	70.9	76.1	5.2
III	31.0	49.2	69.7	85.2	15.5
Year 4/					
Broilers (cents/lb.)					
1988:					
I	15.4	23.4	45.6	45.7	0.1
II	15.3	23.3	45.5	55.7	10.2
III	19.0	27.0	50.4	66.1	15.6
IV	19.7	27.7	51.4	57.2	5.8
Year 4/	17.3	25.3	48.2	56.2	8.0
1989:					
I 5/	19.1	27.1	50.6	59.5	8.9
II	18.6	26.6	49.9	67.3	17.4
III	18.2	26.2	49.4	59.6	10.2
IV					
Year 4/					
Turkeys (cents/lb.)					
1988:					
I	21.9	35.6	60.8	47.6	-13.2
II	22.0	35.7	60.9	51.4	-9.5
III	25.4	39.1	65.2	72.5	7.3
IV	28.6	42.3	69.2	73.0	3.8
Year 4/	24.7	38.4	64.3	61.8	-2.2
1989:					
I 5/	27.9	41.6	68.3	61.6	-6.7
II	27.5	41.2	67.8	71.3	3.5
III	26.4	40.1	66.4	64.5	-1.9
IV					
Year 4/					

1/ Costs and prices are weighted by monthly production.

2/ Based on farm cost converted to wholesale market value.

3/ Wholesale prices used are the 12-metro area egg price, 12-city weighted average broiler price, and a weighted average of 8-16 lb. young hens and 14-22 lb. toms in Central, Western, and Eastern Regions. 4/ Weighted average.

Table 10--Young chicken prices and price spreads, 1987-89

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Cents/lb.													
Farm price 1/:													
1987	31.1	30.0	29.0	29.2	29.9	27.6	27.6	31.7	27.8	25.1	26.3	24.5	28.3
1988	27.1	25.7	27.5	28.0	33.5	36.7	42.1	41.9	39.2	37.5	35.0	35.5	34.1
1989	35.3	35.2	38.7	38.9	45.2	42.6	39.1	36.1	37.1	30.6			
Wholesale RTC													
12-city avg. 2/:													
1987	51.8	49.8	48.5	48.6	50.5	45.5	47.0	52.6	46.4	43.2	44.6	39.8	47.4
1988	43.9	44.9	48.1	48.7	56.6	61.5	66.5	68.9	62.8	57.7	57.1	58.8	56.3
1989	58.0	58.1	62.1	63.5	70.4	67.4	62.0	57.3	59.9	51.7			
U.S. avg.													
retail price:													
1987	82.1	83.2	80.4	79.2	78.2	77.1	75.5	78.5	79.3	79.1	75.6	73.6	78.5
1988	74.0	74.5	75.3	76.0	79.6	86.8	93.7	96.1	97.5	93.2	89.2	88.5	85.4
1989	90.5	89.9	91.3	93.2	96.1	98.2	96.4	95.4	94.2				
Price spreads													
retail-to-cons.:													
1987	24.3	26.8	25.2	25.3	21.2	18.7	21.2	20.2	33.1	30.2	25.2	26.1	24.8
1988	23.7	24.4	21.6	20.5	16.5	18.0	22.8	21.9	29.9	28.8	26.7	24.0	23.2
1989	27.3	28.6	24.9	29.4	20.2	25.1	27.7	30.9	29.4				
1982-84 = 100													
Retail pr. index													
wh. chickens:													
1987	119.5	118.7	115.2	113.1	112.9	111.6	109.9	113.9	114.6	113.0	109.2	107.7	113.3
1988	107.9	109.5	110.3	111.6	117.4	125.9	137.4	140.1	142.0	136.0	131.7	131.0	125.1
1989	133.7	133.2	135.6	138.0	142.9	144.7	141.7	140.8	139.1				

1/ Liveweight. 2/ 12-city composite weighted average.

Figure 4

Egg Costs and Returns

Cents/doz.

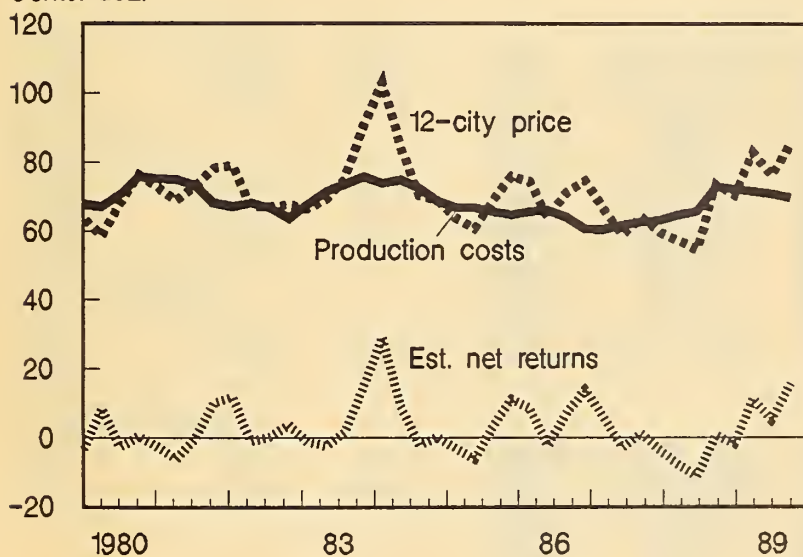


Table 11--Layers on farms and eggs produced, 1988-89 1/

Quar- ters	Number of layers		Eggs per layer		Eggs produced	
	1988	1989 2/	1988	1989 2/	1988	1989 2/
- Million -						
I	285	273	62.2	61.4	1,477.6	1,395.7
II	277	268	63.4	63.4	1,467.1	1,418.8
III	271	265	62.9	62.8	1,419.4	1,391.2
IV	275		62.2		1,425.6	
Annual	277		250.7		5,789.7	

1/ Marketing year beginning December 1. 2/ Preliminary.

Table 12--Force moltings and light-type hen slaughter, 1987-89

Month	Force molted layers 1/						Light-type hens slaughtered under Federal inspection (Number)		
	Being molted			Molt completed					
	1987 2/	1988 2/	1989 3/	1987 2/	1988 2/	1989 3/	1987	1988	1989
- - - - - Percent - - - - -									
January	4.2	3.8	4.0	20.9	20.8	23.3	13,002	13,574	12,136
February	4.6	5.0	4.9	19.1	20.3	21.5	13,342	14,647	11,908
March	3.8	3.7	4.3	20.1	20.5	21.7	13,450	15,312	13,645
April	2.8	3.9	3.9	19.6	19.3	21.5	14,428	15,034	10,528
May	5.4	5.9	5.3	18.8	18.6	21.4	12,870	14,115	11,868
June	6.4	7.6	5.6	18.5	19.9	21.7	13,791	13,158	10,316
July	4.7	6.1	4.8	20.5	21.2	21.6	12,364	8,601	10,191
August	4.9	4.7	4.0	21.0	22.1	22.7	12,496	10,555	10,871
September	5.3	4.3	3.8	21.7	22.4	22.9	10,813	9,119	
October	4.9	4.5	4.3	21.3	22.3	22.9	12,037	10,426	
November	4.2	3.9		21.4	22.6		11,389	11,374	
December	3.4	3.5		22.4	24.1		15,938	13,694	
- - - - - Thousands - - - - -									

1/ Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service. 2/ Percent of hens and pullets of laying age in 15 selected States. 3/ Percent of hens and pullets of laying age in 20 selected states.

Table 13--Egg-type chick hatchery operations, 1987-1989

Month	Hatch			Eggs in incubators first of month, changes from previous year		
	1987	1988	1989	1987	1988	1989
	Thousands			Percent		
Jan.	34,156	29,274	26,614	5	-4	-20
Feb.	35,815	28,433	27,191	4	-24	2
Mar.	41,708	35,615	32,723	5	-17	-15
Apr.	42,356	34,749	35,942	-2	-17	2
May	40,858	35,984	38,254	1	-16	5
June	37,256	33,049	34,707	1	-7	-2
July	33,375	24,876	30,175	-4	-23	17
Aug.	34,667	27,838	32,373	8	-24	16
Sept.	31,800	30,918	32,710	4	-10	6
Oct.	33,959	31,007		9	-13	
Nov.	30,593	29,425		10	1	
Dec.	31,242	27,181		-7	-11	

Table 14--Shell eggs broken and egg products produced under Federal inspection, 1988-89

Period	Shell eggs broken	Egg products produced 1/		
		Liquid 2/	Frozen	Dried
	Thou. doz.	Thou. lbs.	Thou. lbs.	Thou. lbs.
1988:				
January	74,629	24,055	26,050	8,973
February	75,240	24,470	26,412	8,649
March	81,978	27,153	28,412	7,712
April	78,725	26,516	28,209	9,487
May	88,485	29,635	33,072	10,226
June	93,003	30,076	37,251	9,034
July	80,170	25,572	30,347	7,903
August	90,302	30,412	31,675	9,178
September	79,125	27,888	30,565	7,327
October	79,071	27,803	30,198	7,589
November	80,261	28,622	31,507	8,455
December	75,407	26,566	34,113	8,198
Jan.-Sept.	741,657	245,777	271,993	78,489
1989:				
January	79,780	28,584	29,255	10,208
February	69,829	26,991	25,612	9,392
March	69,998	31,581	25,136	7,764
April	76,547	29,355	29,153	8,865
May	91,063	32,678	34,600	10,091
June	89,658	31,996	33,306	10,067
July	81,260	28,762	30,521	9,192
August	86,929	34,053	34,325	8,620
September	76,896	33,170	29,094	7,715
October				
November				
December				
Jan-Sept.	721,960	277,170	271,002	81,914
Percent change from 1988	-2.7	+12.8	-0.4	+4.4

1/ Includes ingredients added. All expressed in liquid egg equivalent. 2/ Liquid egg products produced for immediate consumption.

Figure 5

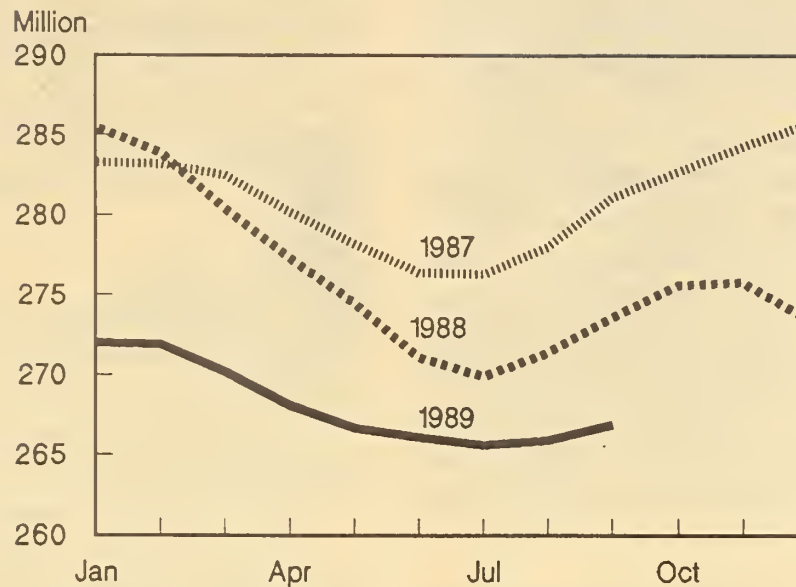
Average Layer Numbers

Table 15--Egg prices and price spreads, 1987-89

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Cents/doz.													
Farm price 1/:													
1987	51.7	50.1	46.0	45.8	39.5	40.3	40.8	40.5	49.7	40.9	45.4	38.8	44.1
1988	39.7	37.6	41.2	36.0	32.9	36.5	49.4	50.4	56.4	51.0	51.9	52.4	44.6
1989	56.2	53.7	74.5	58.1	54.3	55.6	56.6	64.2	64.4	64.2			
New York (cartoned)													
Grade A, large 2/:													
1987	67.1	65.2	62.0	62.4	55.6	58.7	59.1	63.2	68.3	60.2	60.5	56.9	61.6
1988	55.9	52.7	56.4	52.1	50.9	56.8	73.6	69.5	75.6	66.0	65.3	70.4	62.1
1989	72.0	74.8	92.7	76.6	73.7	75.4	76.6	84.1	83.8				
4-Region average, Grade A, large retail price													
1987	86.2	82.3	80.0	78.6	76.3	71.1	76.3	73.0	83.7	77.8	80.5	73.1	78.3
1988	76.0	71.8	74.0	71.9	67.8	70.5	80.3	90.9	87.4	89.6	83.9	83.3	79.0
1989	94.1	89.0	103.1	99.7	95.6	93.7	96.1	98.3	103.8				
Price spreads, retail-to-consumer:													
1987	17.4	14.5	16.5	15.3	20.8	12.7	16.4	15.7	13.6	18.4	18.4	15.4	16.3
1988	19.0	18.2	14.9	20.0	16.5	13.0	7.0	20.5	11.2	22.0	16.0	10.1	15.7
1989	18.2	18.6	10.2	23.1	21.2	17.2	18.3	12.1	16.7				
1982-84 = 100													
Consumer pr. index:													
1987	100.8	97.8	93.9	91.1	88.5	84.1	87.8	85.8	97.6	91.4	93.9	85.5	91.5
1988	90.1	85.5	87.9	85.0	81.8	83.6	95.1	104.2	103.1	105.5	101.2	99.6	93.6
1989	112.0	106.1	122.9	117.6	112.6	110.6	112.8	115.2	124.6				

1/ Market (table) eggs including eggs sold retail by the producer; data not available prior to 1982. 2/ Price to volume buyers.

Egg Production To Increase in 1990

Total egg production for 1990 is projected to rise about 3 percent, in contrast to a 2-percent decline in 1989. Hatching egg production is anticipated to increase by around 3-4 percent, mirroring the growth in the broiler industry. Table egg production is likely to increase nearly 2 percent to about 5 billion dozen. Table-egg production increases reflect flock expansion encouraged by strong net returns in 1989. Both egg-type eggs in incubators on October 1 and egg-type chicks hatched during September were 6 percent above a year earlier, indicators that the total flock size will be increasing. It is anticipated that the full effect of this expansion will be realized in the second half of 1990, when production will likely be 2-3 percent greater than in 1989. Production in the first half is expected to be about 1 percent larger in 1988.

Prices To Be Lower

Prices for 1990 are expected to decline to an average 66-72 cents per dozen, as supplies increase, compared with an estimated 79-81 cents in 1989. First-quarter 1990 prices likely will average around 76-80 cents per dozen, but decline to the mid-to-low 60's in the second half as additional eggs come to market.

Consumption Steady

Per capita consumption is likely to be around 235 eggs, unchanged from 1989, and at least a momentary pause in the long downward trend. U.S. Poultry Trade

U.S. Poultry Trade

U.S. 1989 Broiler Exports To Be a Record

Broiler exports for 1989 are expected to exceed 900 million pounds compared to 765 million pounds in 1988. Relatively low U.S. prices for dark meat broiler parts are the primary reason for this growth. Marketing efforts also played a role.

Broiler exports during January-August 1989, at 624 million pounds, were 29 percent above the same period a year earlier. Value was up 26 percent to \$292 million. Exports have been equivalent to about 5 to 6 percent of production compared with 5 last year. Sharp increases to Canada, Hong Kong, and Mexico, reflect slow growth in domestic production and competitive U.S. prices to Canada and Hong Kong, and rapid growth in consumption as well as competitive prices to Mexico. Mexico's policy of restraining food prices has encouraged consumption and imports.

Parts continue to make up 96 percent of total broiler exports and 99 percent of exports to major Pacific Rim countries. Lower U.S. dark meat parts prices provide the competitive edge in most markets. For whole broilers, Jamaica is the largest market and together with Canada and Mexico accounted for nearly two-thirds of the U.S. whole broilers exported.

Table 16--U.S. broiler exports to major importers, January-August 1988-1989

Country or area	1988	1989
	1,000 lb.	
Japan	170,678	230,582
Hong Kong	67,254	118,928
Mexico	42,880	63,662
Canada	30,999	46,525
Singapore	39,008	41,601
Jamaica	29,785	38,298
French Polynesia	6,000	8,182
Netherlands Antilles	8,034	7,210
Spain	8,104	6,072
Antigua	4,133	5,616
St. Lucia	6,494	5,174
St. Vincent	2,851	4,056
Other	68,089	48,280
Grand Total	484,309	624,186

Table 17--U.S. mature chicken exports to major importers, January-August 1988-1989

Country or area	1988	1989
	1,000 lb.	
Mexico	4,220	3,146
Netherlands Antilles	132	2,531
St. Lucia	12	2,000
Canada	1,278	1,738
Aruba	40	844
Antigua	113	767
St. Christ-Nevis	0	587
Japan	2,435	522
Dominica	0	515
Bermuda	61	459
Grenada	48	400
Other	6,484	1,614
Grand Total	14,823	15,123

First Russian Sales in the 1980's

Russia turned to the U.S. market for poultry meat this fall for the first time since 1980. Actual U.S. exports to the USSR had not been made since 1977. The Soviet purchase of 33 million pounds of leg quarters is the first since the United States embargo imposed in 1980. These purchases provided short-term price strength for dark meat, which sells at a discount to white meat due to the domestic preference for the latter. Wholesale prices of whole legs and leg quarters strengthened temporarily from near-term lows, following the announcement of the Soviet purchase at the end of September.

The long-run potential for continued sales to the Soviet Union is uncertain. Broader Soviet policies toward providing consumer goods and U.S. prices relative to European broiler prices will be among the factors influencing future sales. Russia traditionally imports poultry meat from Eastern European countries, primarily Hungary, and is expected to continue such arrangements. In 1988, Hungary supplied almost 70 percent of the estimated 395 million pounds imported.

EEP Broiler Sales Low

Exports under the Export Enhancement Program (EEP) have played a minor role in the large export sales this year. Estimated broiler sales through October under the EEP totalled about 24 million pounds, slightly less than in 1988, but much lower than in 1987 and 1986. The EC reduced its chicken export subsidy rates in March and again in October 1989.

Outlook for 1990

World broiler imports are expected to continue to grow moderately in 1990. U.S. broiler exports should again be strong in 1990, and reach approximately the record level of slightly over 900 million pounds estimated for this year. If additional sales to the USSR materialize in 1990 and Mexico continues its policy of increased imports, then U.S. broiler exports would likely attain new highs in 1990. The U.S. should remain reasonably competitive in the world broiler market in 1990. U.S. domestic prices may average slightly lower compared with 1989. The market is expected to remain more open in some countries, such as Japan, Canada and Mexico, but many countries will continue to restrict imports.

Egg Exports Decline

Total U.S. egg exports during January-August 1989, at about 58 million dozen, were about 33 percent below the same period a year earlier. Value was down about 23 percent to \$53 million. Exports declined to a number of leading markets, including Japan, Hong Kong, and Iraq, but increased to Canada, Mexico and to the Caribbean countries. Egg products made up 55 percent, hatching eggs 26 percent, and table eggs 19 percent of egg exports.

U.S. egg product exports to Japan fell 43 percent. But Japan still purchased 75 percent of the total. The United States became less competitive relative to the EC where egg prices

did not rise as they did in the U.S. Domestic Japanese prices were also lower, making imports less attractive. Hatching egg exports fell only about 5 percent as Canada imported 18 percent more than last year, partially offsetting a drop in export program sales to Iraq.

Table egg exports through August were 41 percent lower due mainly to reduced EEP sales to the Middle East and to Hong Kong. Table egg exports were higher to Canada under the Free Trade Agreement (FTA) and to Mexico. In August, the Mexican Government purchased 15 million dozen table eggs to reduce food price inflation. However, recent reports indicate that only 9 million dozen may be taken. Most of the exports were scheduled for September, October, and November. Mexico in 1989 will account for 14 to 20 percent of total U.S. egg exports, similar to Canada.

Egg Imports Up Sharply

Total egg imports in January-August 1989 were approximately 17 million dozen compared with only 3 million dozen during the same period last year. Over 90 percent of imports were shell eggs for breaking, and egg product imports have declined from last year. Higher U.S. prices encouraged breakers to purchase less expensive imported eggs. Imports for 1989, overall, could total about 28 million dozen, the highest level since 1984. Given expected lower U.S. prices next year, imports of eggs should decline in 1990.

Outlook for Exports

For 1989, total egg exports may be down nearly 30 percent from last year's 142 million dozen. Exports under EEP and export credit guarantee programs are down this year, and relatively high U.S. egg prices generally restrain exports. Competition is notably strong from Holland and Finland.

In 1990, expected lower U.S. egg prices should aid a slight recovery in egg exports. The U.S. competitive position versus the EC is expected to improve. Hopefully, this will bolster egg product exports, particularly to Japan. The level of sales to Mexico will also play a role in the outcome for 1990. A 1990 GSM-102 export credit guarantee has been allocated for eggs to Mexico. Finally, the rate of exports under the EEP will also play a role in 1990's exports.

Turkey Exports Down

Turkey meat exports for 1989 are expected to be down about 15 percent from last year, to approximately 44 million pounds. Exports, January-August 1989, at about 27 million pounds, were down 23 percent from a year earlier. Parts made up 82 percent. Higher U.S. prices earlier this year combined with trade restraints, such as in Egypt and West Germany, contributed to the export decline. Egypt has not imported any turkey this year because the government has

Table 18--U.S. egg exports to major importers, January-August, 1988-1989 1/

Country or area	1988	1989
	1,000 dozen	
Japan	43,046	24,221
Canada	8,569	9,878
Hong Kong	8,234	4,439
Mexico	3,973	4,009
Jamaica	1,435	2,730
Iraq	8,433	2,508
Federal Rep of Germany	2,379	1,441
Haiti	630	1,162
United Kingdom	839	794
Thailand	6	678
Other	9,923	6,478
Grand Total	87,467	58,338

1/ Shell, and shell equivalent of egg products.
Number of characters across: 119

Table 19--U.S. turkey exports to major importers, January-August, 1988-1989

Country or area	1988	1989
	1,000 lb.	
Mexico	3,893	6,980
Canada	1,034	4,012
Western Samoa	1,011	1,898
Hong Kong	1,339	1,829
Ivory Coast	1,464	1,714
Micronesia	414	966
Japan	2,100	889
South Africa	1,479	651
Marshall Islands	637	583
Netherlands	569	480
St. Vincent	155	467
Other	20,444	6,110
Grand Total	34,539	26,579

severely restricted poultry imports. West Germany sharply restrained imports earlier this year due to a change in definition and an increase in the duty level of seasoned U.S. turkey.

Exports were up markedly to Canada and Mexico. Slow growth in Canadian production combined with an increased import quota under the FTA were factors. In Mexico, turkey production declined while the government policy to maintain consumption with increased imports continues.

Outlook for 1990

Turkey exports during 1990 are expected to increase by about 10 percent to approximately 48 million pounds. Expectations have been raised by a resolution of the classification issue with West Germany. U.S. exporters expect to meet a stricter definition of seasoned turkey and exports to West Germany should rebound. In addition, recent and expected lower U.S. turkey prices should enhance competitiveness.

Livestock and Red Meats

Hogs

Net returns to hog producers are improving. Returns above cash expenses have turned positive in second-half 1989, after averaging below breakeven for three consecutive quarters. If favorable returns persist, breeding inventories may soon increase. Additional gilt retention associated with a buildup in breeding inventories would reduce hog slaughter in the near term, but eventually lead to expanded slaughter and pork production. Thus, the trend in hog numbers over the next year appears to point upward.

Returns To Hog Producers Improve

Feed costs are declining as a result of larger corn and soybean crops in 1989. Costs had risen steeply following the 1988 drought, cutting sharply into producers' returns. In fourth-quarter 1988, net returns after cash expenses fell

below breakeven, and remained negative through second-quarter 1989. Net returns have risen above cash expenses since then and likely will continue to improve through most of 1990.

As of September 1, 1989, the number of hogs kept for breeding was 3 percent below a year earlier. The inventory was reduced during the 1988-89 crop year because of depressed returns and shortened feed grain supplies, but the reduction was small compared with similar periods in the past. Larger cutbacks did occur in some areas, likely among producers who depend on their own corn crop for feed supplies. At the same time, however, some operations expanded inventories. These operations likely had lower production costs, or had sufficient capitalization to proceed with long-range expansion plans.

In any case, the ability of producers to withstand the past year's low returns without a substantial cutback in breeding inventories may indicate that the financial condition of the industry is generally stable. It may also suggest that the industry is poised to resume the cyclical expansion that was underway prior to the 1988 drought. If net returns remain above cash costs, some expansion of the breeding herd is likely.

Market Hog Inventories Up Slightly

September 1, 1989, market hog inventories were up 1 percent from a year earlier. Most of these hogs were produced from the March-May and June-August pig crops, both of which were also up 1 percent. Combining hogs kept for market and breeding, the inventory of all hogs and pigs on September 1 was unchanged from a year earlier.

Producers indicated intentions to have 1 percent fewer sows farrow during September-November than a year ago. December 1989-February 1990 farrowing intentions were unchanged.

While the breeding herd is smaller than a year earlier, a higher percentage is being utilized. Summer weather conditions were much more favorable for breeding and farrowing than in 1988, probably accounting for much of this year's increase in efficiency. But apart from weather considerations, breeding herd efficiency is gradually improving because of better management practices. This trend may become more pronounced as the industry consolidates into fewer, larger, and more specialized units.

Pork Production To Rise Slightly In 1990

If producers carry out farrowing intentions, commercial pork production may rise about 1 percent in 1990. Annual production could reach 16 billion pounds for the first time since 1980. Pork production in 1989 will be up about 1 percent from 1988.

Table 20--Farrow-to-finish hog production costs and returns, 1,600 head annual sales, North Central Region 1/

Item	1989									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Dollars per cwt										
Cash receipts: 2/										
Market hogs (94.25 lbs)	39.48	38.75	37.53	34.73	40.28	43.82	44.81	44.49	41.67	44.82
Cull sows (5.75 lbs)	1.86	1.96	1.94	1.80	1.90	1.94	1.95	2.02	2.09	2.31
Total	41.34	40.71	39.47	36.53	42.18	45.76	46.76	46.51	43.76	47.13
Cash expenses										
Feed--										
Corn (345.6 lbs)	14.64	14.40	14.44	15.27	16.20	15.97	15.96	15.60	15.72	15.47
Soybean meal (70.6 lbs)	11.03	11.67	11.67	11.67	11.76	11.76	11.76	11.01	11.01	11.01
Mixing concentrates (14.3 lbs)	2.89	2.89	2.89	2.89	2.89	2.89	2.89	2.99	2.99	2.99
Total feed	28.56	28.96	29.00	29.83	30.85	30.62	30.61	29.60	29.72	29.47
Other--	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.49	0.49	0.49
Veterinary and medicine 3/	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.78	0.78	0.78
Fuel, lube, and electricity	1.47	1.47	1.47	1.47	1.47	1.47	1.47	1.56	1.56	1.56
Machinery and building repairs	2.46	2.46	2.46	2.46	2.46	2.46	2.51	2.51	2.51	2.52
Hired labor 4/	1.38	1.38	1.38	1.38	1.38	1.38	1.48	1.48	1.48	1.48
Miscellaneous	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.69	0.69	0.69
Total variable expenses	35.30	35.70	35.74	36.57	37.59	37.36	37.50	36.62	36.74	36.50
General farm overhead	1.57	1.54	1.49	1.38	1.60	1.73	1.77	1.82	1.71	1.84
Taxes and insurance	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.74	0.74	0.74
Interest	3.58	3.53	3.42	3.17	3.66	3.97	4.05	3.80	3.58	3.85
Total fixed expenses	5.85	5.77	5.61	5.25	5.96	6.40	6.52	6.36	6.03	6.43
Total cash expenses 5/	41.15	41.47	41.35	41.82	43.55	43.76	44.02	42.98	42.77	42.93
Receipts less cash expenses	0.19	-0.76	-1.88	-5.29	-1.37	2.00	2.74	3.53	0.99	4.20
Capital replacement	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.95	5.95	5.95
Receipts less cash expenses and replacement	-5.64	-6.59	-7.71	-11.12	-7.20	-3.83	-3.09	-2.42	-4.96	-1.75

1/The feed rations and expense items do not necessarily coincide with the experience of the individual hog operations and are an average of a group of operators. For individual use, adjust expenses and prices for management, production levels, and locality of operation. 2/ Based on 94.25 lb of barrows and gilts liveweight and 5.75 lb of sows per cwt sold. 3/ Includes costs of feed medication, that is usually included as part of the feed cost. 4/ Based on .204 hours per cwt of liveweight hog marketed. 5/ Does not include a charge for family or operator labor (.732 hours)

Table 21--Corn Belt hog feeding: Selected costs at current rates 1/

Purchased during 1988-89 Marketed during 1988-89	Dec. Apr.	Jan. May	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.	Aug. Dec.	Sept. Jan.	Oct. Feb.
Expenses: (\$/head)											
40-50 lb feeder pig	29.17	35.25	34.18	39.55	34.74	34.24	28.85	24.25	30.00	30.72	37.27
Corn (11 bu)	27.50	28.16	28.38	28.60	28.16	28.49	27.61	27.06	24.64	24.64	23.65
Protein supplement (130 lb)	23.92	23.21	23.21	23.21	22.04	22.04	22.04	22.29	22.29	22.29	20.93
Total feed	51.42	51.37	51.59	51.81	50.20	50.53	49.65	49.36	46.94	46.94	44.58
Labor & management (1.3 hr)	12.61	13.47	13.47	13.47	12.90	12.90	12.90	12.90	12.90	12.90	12.90
Vet medicine 2/ Interest on purchase (4 mo)	2.83	2.86	2.86	2.86	2.89	2.89	2.89	2.91	2.91	2.91	2.91
Power, equip, fuel, shelter depreciation 2/	1.13	1.40	1.36	1.57	1.44	1.42	1.20	1.00	1.23	1.26	1.51
Death loss (4% of purchase)	6.89	6.97	6.97	6.97	7.04	7.04	7.04	7.08	7.08	7.08	7.08
Transportation (100 miles)	1.17	1.41	1.37	1.58	1.39	1.37	1.15	0.97	1.20	1.23	1.49
Marketing expenses Miscel. & indirect costs 2/	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Total	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Selling price required to cover: (\$/cwt)	0.71	0.72	0.72	0.72	0.72	0.72	0.72	0.73	0.73	0.70	0.71
Feed and feeder costs (220 lb)	107.54	115.06	114.13	120.14	112.95	112.74	106.03	100.81	104.60	105.38	110.09
All costs (220 lb)	36.63	39.37	38.98	41.53	38.61	38.53	35.68	33.46	34.97	35.30	37.20
Feed cost per 100-lb gain (180 lb)	48.88	52.30	51.88	54.61	51.34	51.24	48.19	45.82	47.55	47.90	50.04
Barrows and gilts, (7 mkt)	28.57	28.54	28.66	28.78	27.89	28.07	27.58	27.42	26.08	26.08	24.77
Net margin	37.06	42.37	46.10	47.06	46.84	44.32	47.15				
	-11.82	-9.93	-5.78	-7.55	-4.50	-6.92	-1.04				
Prices:											
40-lb feeder pig (So. Missouri) \$/head	29.17	35.25	34.18	39.55	34.74	34.24	28.85	24.25	30.00	30.72	37.27
Corn \$/bu 3/	2.50	2.56	2.58	2.60	2.56	2.59	2.51	2.46	2.24	2.24	2.15
Protein supp. (38-42%) \$/cwt 4/	18.40	17.85	17.85	17.85	16.95	16.95	16.95	17.15	17.15	17.15	16.10
Labor & management \$/hr 5/	9.70	10.36	10.36	10.36	9.92	9.92	9.92	9.92	9.92	9.92	9.92
Interest rate (annual)	11.62	11.91	11.91	11.91	12.48	12.48	12.48	12.36	12.36	12.36	12.15
Transportation rate (\$/cwt 100 miles) 6/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Marketing expenses (\$/cwt) 7/	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	1193	1207	1207	1207	1220	1220	1220	1226	1226	1226	1227

1/ Although a majority of operations in the Corn Belt are from farrow-to-finish, relative fattening expenses will be similar. Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. 2/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 3/ Average price received by farmers in Iowa and Illinois. 4/ Average prices paid by farmers in Iowa and Illinois. 5/ Assumes an owner-operator receiving twice the farm labor rate. 6/ Converted from cents/mile for a 44,000-pound haul. 7/ Yardage plus commission fees at a Midwest terminal market.

Table 22--Hogs on farms, farrowings, and pig crops,
United States 1/

Inventory	1988	1989	1990	1989 1988	1990 1989
	1,000 head			Percent change	
March 1 inventory	52,345	52,835		1	
Breeding	7,120	7,051		-1	
Market	45,225	45,784		1	
Under 60 lb	17,675	17,528		-1	
60-119 lb	10,730	10,980		2	
120-179 lb	9,135	9,486		4	
180 + lb	7,685	7,790		1	
June 1 inventory	56,265	56,000		0	
Breeding	7,530	7,325		-3	
Market	48,735	48,675		0	
Under 60 lb	20,915	20,742		-1	
60-119 lb	12,015	12,130		1	
120-179 lb	8,800	8,800		0	
180 + lb	7,005	7,003		0	
Sept. 1 inventory	58,200	58,445		0	
Breeding	7,260	7,022		-3	
Market	50,940	51,423		1	
Under 60 lb	19,635	19,761		1	
60-119 lb	12,685	12,647		0	
120-179 lb	10,430	10,635		2	
180 + lb	8,190	8,380		2	
Dec. 1 inventory	55,499				
Breeding	7,057				
Market	48,442				
under 60 lb	18,021				
60-119 lb	12,401				
120-179 lb	10,030				
180 + lb	7,990				
Sows farrowing					
Dec. 2/-Feb.	2,726	2,689	2,678 3/	-1	0
March-May	3,299	3,308		0	
Dec. 2/-May	6,025	5,997		0	
June-August	3,078	3,044		-1	
Sept.-Nov.	2,924	2,896	3/	-1	
June-Nov.	6,002	5,940	3/	-1	
Pig crop					
Dec. 2/-Feb.	21,077	20,933		-1	
March-May	25,757	26,000		1	
Dec. 2/-May	46,834	46,933		0	
June-August	23,454	23,754		1	
Sept.-Nov.	22,374				
June-Nov.	45,827				
Pigs per litter		Number			
Dec. 2/-Feb.	7.73	7.78		1	
March-May	7.81	7.86		1	
Dec. 2/-May	7.77	7.83		1	
June-Aug.	7.62	7.80		2	
Sept.-Nov.	7.62				
June-Nov.	7.62				

1/ March and September inventories not available for
United States prior to 1988. 2/ December preceding
year. 3/ Intentions.

Table 23--Hogs on farms, farrowings, and pig crops,
10 States

Inventory	1988	1989	1990	1989 1988	1990 1989
	1,000 head			Percent change	
March 1 inventory	41,345	41,605		1	
Breeding	5,520	5,420		-2	
Market	35,825	36,185		1	
Under 60 lb	13,875	13,800		-1	
60-119 lb	8,530	8,678		2	
120-179 lb	7,435	7,555		2	
180 + lb	5,985	6,152		3	
June 1 inventory	44,065	44,100		0	
Breeding	5,630	5,560		-1	
Market	38,435	38,540		0	
Under 60 lb	16,415	16,350		0	
60-119 lb	9,515	9,620		1	
120-179 lb	7,000	7,010		0	
180 + lb	5,505	5,560		1	
Sept. 1 inventory	45,000	45,800		2	
Breeding	5,460	5,385		-1	
Market	39,540	40,415		2	
Under 60 lb	15,135	15,500		2	
60-119 lb	9,885	9,940		1	
120-179 lb	8,230	8,485		3	
180 + lb	6,290	6,490		3	
Dec. 1 inventory	43,210				
Breeding	5,335				
Market	37,875				
under 60 lb	13,955				
60-119 lb	9,747				
120-179 lb	7,898				
180 + lb	6,275				
Sows farrowing					
Dec. 2/-Feb.	2,123	2,109	2,141 3/	-1	2
March-May	2,578	2,575		0	
Dec. 2/-May	4,701	4,684		0	
June-August	2,359	2,380		1	
Sept.-Nov.	2,271	2,278 3/		0	
June-Nov.	4,630	4,658 3/		1	
Pig crop					
Dec. 2/-Feb.	16,489	16,439		0	
March-May	20,175	20,256		0	
Dec. 2/-May	36,664	36,695		0	
June-August	18,007	18,604		3	
Sept.-Nov.	17,295				
June-Nov.	35,302				
Pigs per litter		Number			
Dec. 2/-Feb.	7.77	7.79		0	
March-May	7.83	7.87		1	
Dec. 2/-May	7.80	7.83		0	
June-Aug.	7.63	7.82		2	
Sept.-Nov.	7.62				
June-Nov.	7.62				

1/ March and September inventories not available for
United States prior to 1988. 2/ December preceding
year. 3/ Intentions.

Table 24--Sow slaughter balance sheet, United States

Item	1988	1989
	1,000 head	
December 1 breeding 1/ December-February	7,153	7,057
Comm. sow slaughter	884	963
Gilts added	851	957
March 1 breeding	7,120	7,051
March-May		
Comm. sow slaughter	873	975
Gilts added	1,283	1,249
June 1 breeding	7,530	7,325
June-August		
Comm. sow slaughter	1,172	1,192
Gilts added	902	889
September 1 breeding	7,260	7,022
September-November		
Comm. sow slaughter	1,100	
Gilts added	897	
1/ December previous year.		

Table 25--Commercial hog slaughter 1/ and production

Year	Barrows & gilts	Sows	Boars	Total	Dress- ed wt.	Comm'l- prod.
	----- 1,000 hd.-----				lb.	Mil lb.
1986						
I	19,272	920	187	20,379	175	3,570
II	19,224	896	196	20,316	176	3,568
III	17,365	999	210	18,573	174	3,237
IV	19,223	927	179	20,330	178	3,623
Year	75,084	3,742	772	79,598	176	13,998
1987						
I	19,008	762	170	19,940	178	3,540
II	17,877	846	188	18,911	176	3,327
III	18,201	1,009	186	19,396	174	3,384
IV	21,776	888	170	22,834	178	4,061
Year	76,862	3,505	714	81,081	177	14,312
1988						
I	20,281	890	189	21,360	177	3,790
II	19,736	941	200	20,877	179	3,727
III	19,968	1,182	228	21,378	177	3,775
IV	22,932	1,054	194	24,180	179	4,331
Year	82,916	4,068	814	87,795	178	15,623
1989						
I	20,748	943	195	21,886	178	3,887
II	20,682	1,037	220	21,939	179	3,928
III	20,175	1,178	209	21,562	176	3,789

1/ Classes estimated.

Table 26--Federally inspected hog slaughter

Week ended	1986	1987	1988	1989
	Thousands			
Jan.				
7	1,675	1,683	1,726	1,416
14	1,654	1,659	1,766	1,721
21	1,563	1,527	1,605	1,681
28	1,506	1,500	1,543	1,644
Feb.				
4	1,526	1,455	1,535	1,631
11	1,512	1,502	1,545	1,656
18	1,501	1,395	1,542	1,675
25	1,606	1,533	1,595	1,665
Mar.				
4	1,635	1,556	1,610	1,619
11	1,650	1,578	1,674	1,716
18	1,556	1,574	1,639	1,702
25	1,579	1,504	1,631	1,601
Apr.				
1	1,518	1,529	1,599	1,648
8	1,633	1,553	1,573	1,761
15	1,651	1,468	1,655	1,767
22	1,619	1,393	1,660	1,813
29	1,637	1,453	1,695	1,764
May				
6	1,607	1,475	1,654	1,732
13	1,560	1,440	1,634	1,658
20	1,518	1,448	1,577	1,629
27	1,310	1,232	1,533	1,618
June				
3	1,471	1,385	1,323	1,343
10	1,459	1,372	1,489	1,577
17	1,373	1,341	1,513	1,589
24	1,330	1,356	1,503	1,533
July				
1	1,118	1,193	1,537	1,500
8	1,390	1,360	1,330	1,233
15	1,349	1,345	1,537	1,558
22	1,281	1,354	1,542	1,518
29	1,314	1,334	1,456	1,501
Aug.				
5	1,338	1,372	1,528	1,543
12	1,368	1,445	1,571	1,612
19	1,402	1,404	1,513	1,610
26	1,419	1,475	1,563	1,610
Sept.				
2	1,257	1,548	1,607	1,713
9	1,492	1,363	1,517	1,545
16	1,504	1,671	1,807	1,888
23	1,504	1,621	1,868	1,852
30	1,521	1,658	1,803	1,785
Oct.				
7	1,555	1,640	1,830	1,810
14	1,528	1,720	1,838	1,809
21	1,551	1,664	1,845	1,797
28	1,580	1,763	1,895	1,739
Nov.				
4	1,576	1,792	1,908	
11	1,537	1,778	1,827	
18	1,557	1,772	1,920	
25	1,308	1,463	1,562	
Dec.				
2	1,530	1,845	1,956	
9	1,548	1,879	1,867	
16	1,503	1,729	1,800	
23	1,070	1,150	1,668	
30	1,258	1,458	1,420	

1/ Corresponding dates to 1989: 1986, Jan. 11, 1987, Jan. 10, 1988, Jan. 9.

Farrowing intentions indicate small year-to-year changes in hog slaughter in the first three quarters of 1990. The June-August 1989 pig crop was 1 percent larger than a year earlier and will supply the bulk of first-quarter slaughter. However, first-quarter 1989 slaughter was somewhat low relative to the previous summer pig crop (even with large imports of Canadian hogs), so a 2-percent increase in pork production is forecast for first-quarter 1990. Second-quarter slaughter will be drawn from the September-November 1989 pig crop, which may be unchanged from a year ago. Farrowing intentions for September-November were down 1 percent, but an increase in the number of pigs saved per litter will probably be offsetting. Even so, hog slaughter during April-June 1990 could be 2 percent less than a year earlier. Second-quarter 1989 slaughter was high relative to the previous fall pig crop, and a more normal relationship is anticipated for next spring. Hog slaughter could remain slightly below a year earlier in third-quarter 1990, based on expectations for this winter's pig crop.

The recent return to more favorable profit margins may encourage hog producers to have more gilts bred this fall and winter. If so, the March-May 1990 pig crop will be enlarged. In turn, the spring pig crop will supply most of the hogs for slaughter in the final quarter of 1990. Thus, a significant increase in fourth-quarter slaughter is possible. The extent of the increase will depend on how aggressively producers respond to the rise in net returns.

Hog Prices To Show Modest Increase

Barrow and gilt prices at the seven markets may average in the mid-\$40's per cwt in 1990, \$1-2 higher than the past 2 years. Higher prices are likely in the first half of the year, with lower prices prevailing by year-end. Slower income

growth and increased supplies of competing meats may limit price strength in 1990 because both poultry and beef production are expected to rise.

In the first half of 1989, demand for pork at the wholesale level was light compared with previous years. The weak demand added downward pressure to wholesale pork prices, which became very low relative to beef and broiler prices. The low relative price and large supply probably encouraged retail pork features, which became widespread by early fall. As retail sales increased, demand for pork at the wholesale level intensified. At the same time, Japan became an aggressive buyer of pork loins from the United States. The rise in demand largely offset the seasonal increase in supply, and

Table 28--Fall pig crop and hog slaughter

Year	Pig crop Sept.-Nov.	Commercial slaughter, Apr.-June 1/	Slaughter as percentage of pig crop
	- - - 1,000 head - - -		Percent
1970	24,446	23,609	96.6
1971	22,746	21,389	94.0
1972	21,213	19,478	91.8
1973	20,789	21,014	101.1
1974	18,679	17,808	95.3
1975	17,634	16,821	95.4
1976	20,562	18,743	91.2
1977	20,963	19,042	90.8
1978	23,094	21,740	94.1
1979	25,326	25,039	98.9
1980	25,015	22,594	90.3
1981	22,700	20,712	91.2
1982	22,231	21,666	97.5
1983	22,385	21,123	94.4
1984	21,837	21,343	97.7
1985	21,474	20,316	94.6
1986	20,839	18,911	90.7
1987	22,806	20,877	94.5
1988	22,374	21,939	98.1

1/ April-June of the following year.

Source: Economic Research Service.

Table 27--Summer pig crop and hog slaughter

Year	Pig crop June-Aug.	Commercial slaughter, Jan-Mar. 1/	Slaughter as percentage of pig crop
	- - - 1,000 head - - -		Percent
1970	25,142	24,256	96.5
1971	23,260	22,260	95.7
1972	21,838	20,225	92.6
1973	21,209	20,150	95.0
1974	20,273	18,760	92.5
1975	18,022	17,432	96.7
1976	21,656	19,770	91.3
1977	22,239	19,404	87.3
1978	22,937	20,040	87.4
1979	26,915	24,236	90.0
1980	24,417	23,678	97.0
1981	23,548	21,714	92.2
1982	21,383	20,212	94.5
1983	23,361	21,806	93.3
1984	22,346	20,871	93.4
1985	22,010	20,379	92.5
1986	21,158	19,940	94.2
1987	22,905	21,360	93.3
1988	23,453	21,886	93.3
1989	23,754		

1/ January-March of the following year.

Source: Economic Research Service.

Table 29--Winter pig crop and hog slaughter

Year	Pig crop Dec.-Feb.	Commercial slaughter, July-Sept.	Slaughter as percentage of pig crop
	- - - 1,000 head - - -		Percent
1970	19,771	20,619	104.3
1971	20,959	22,308	106.4
1972	19,252	19,441	101.0
1973	19,050	16,875	88.6
1974	18,509	19,705	106.5
1975	15,287	15,307	100.1
1976	17,572	17,982	102.3
1977	18,532	18,293	98.7
1978	18,807	18,554	98.7
1979	21,887	22,083	100.9
1980	23,685	22,158	93.6
1981	21,045	21,277	101.1
1982	18,759	18,940	101.0
1983	20,877	21,373	102.4
1984	18,757	19,495	103.9
1985	19,101	20,556	107.6
1986	18,513	18,573	103.2
1987	19,442	19,396	99.8
1988	21,077	21,378	101.4
1989	20,933	21,561	102.7

Source: Economic Research Service.

Table 30--Spring pig crop and hog slaughter

Year	Pig crop Mar.-May	Commercial slaughter, Oct.-Dec.	Slaughter as percentage of pig crop
	- - - 1,000 head - - -		Percent
1970	32,355	25,271	78.1
1971	30,959	24,264	78.4
1972	28,271	21,617	76.5
1973	27,075	20,217	74.7
1974	26,283	20,893	79.5
1975	20,243	16,813	83.1
1976	24,605	21,549	87.6
1977	24,428	20,497	83.9
1978	23,674	20,316	85.8
1979	28,664	25,237	88.0
1980	28,603	24,641	86.1
1981	26,560	24,026	90.5
1982	22,816	20,825	91.3
1983	26,532	24,334	91.7
1984	23,646	22,742	96.2
1985	23,444	21,721	92.7
1986	21,879	20,330	92.9
1987	23,914	22,834	95.5
1988	25,757	24,180	93.9
1989	26,000		

Source: Economic Research Service.

prices rose counterseasonally into the fourth quarter. Fourth-quarter slaughter has been lower than the March-May pig crop would suggest, lending further strength to hog prices.

The stronger demand for pork at the wholesale level could carry into the first part of 1990. Thus, barrow and gilt prices may continue above a year earlier in the first quarter despite an increase in pork production. At the seven markets, prices could average in the mid-\$40's per cwt in each of the first two quarters. Average prices may rise to the high \$40's in the summer quarter before declining seasonally in the fall.

Higher wholesale prices likely will cause retail pork prices to increase as well. Wholesale-to-retail spreads may hold steady, after widening in 1989. Prices may be 3-5 cents per pound above a year earlier, averaging near \$1.86 per pound for all of 1990.

U.S. Pork Trade

Pork Imports Remain Low

Imports of pork from all major sources declined in the first 8 months of the year. Led by large declines from Denmark and Hungary, and a more moderate decline of Canadian pork, total imports between January and August were 19 percent below 1988 levels. Imports of Danish pork for that period were 34 percent below last year and are expected to continue to be below a year ago through the end of the year. Although still below last year's levels, pork production in Denmark has begun to increase. However, the high EC prices, which encouraged the expansion of Danish produc-

tion, have also encouraged increased exports to the rest of the EC. Furthermore, higher Japanese prices relative to those in the United States have made Japan a more attractive export market.

In response to unfavorable returns, Canadian production began declining in the second half of the year and is expected to continue through 1990. Although this should translate into lower pork exports, it should be remembered that labor disputes in the last half of 1988 and early 1989 reduced pork exports and increased live hog exports to the United States. Therefore, while pork exports could trend down in the second half of 1989 they could also be above 1988 levels, especially in the last quarter. For the first 8 months, imports of Canadian pork equaled 322 million pounds, 13

On August 28, the U.S. International Trade Commission (USITC) upheld its preliminary finding of threat of injury from imports of Canadian fresh, chilled, and frozen pork. Therefore, the 8-Canadian-cent per kilogram duty imposed by the Commerce Department in July will remain in effect. Canada has filed two appeals under Chapter 19 of the U.S.-Canadian Free Trade Agreement. The first challenges the Commerce Department method of calculating the level of Canadian subsidy, the second challenges the USITC ruling. It is most likely that the two arguments will be heard by a single panel, with a decision reached within 315 days of the second request.

In addition to requesting that the Binational Dispute Settlement Panel investigate the imposition of the countervailing duty on pork, Canada has requested consultations with the United States under the General Agreement of Tariffs and Trade (GATT) over a provision of the Tariff Act of 1930 added as part of the Omnibus Trade and Competitiveness Act of 1988. This provision allows subsidies paid to producers of a raw agricultural product (hogs) to be passed through to processed products (pork) for the purposes of duty calculation. The Binational Panel can only rule on the application of the subsidy pass-through provision of the Tariff Act in determining the level of subsidy and Canada feels that the provision itself is inconsistent with U.S. obligations under the GATT.

percent below the same period in 1988. For the year, U.S. imports of Canadian pork will probably be about 10 percent below last year's level.

Table 31--Pork: Retail, wholesale, and farm values, spreads, and farmers' share

Year	Retail price 1/	Wholesale value 2/	Gross farm value 3/	By-product allowance 4/	Net farm value 5/	Farm retail spread			Farmers' share 6/	
						Total	Wholesale-retail	Farm-wholesale		
-----Cents per pound-----										Percent
1985	162.0	101.1	76.2	4.8	71.4	90.6	60.9	29.7	44	
1986	178.4	110.9	87.3	4.9	82.4	96.0	67.5	28.5	46	
1987	188.4	113.0	87.9	5.2	82.7	105.7	75.4	30.3	44	
I	185.0	103.8	81.8	5.0	76.8	108.2	81.2	27.0	41	
II	183.4	116.6	95.6	5.5	90.1	93.3	66.8	26.5	49	
III	195.5	124.3	100.3	5.9	94.4	101.1	71.2	29.9	48	
IV	189.7	107.4	74.0	4.3	69.7	120.0	82.3	37.7	37	
1988										
I	183.9	104.3	76.4	4.6	71.8	112.1	79.6	32.5	39	
II	184.8	105.1	78.0	4.6	73.4	111.4	79.7	31.7	40	
III	185.9	99.5	75.0	4.6	70.4	115.5	86.4	29.1	38	
IV	179.0	95.3	66.2	4.0	62.2	116.8	83.7	33.1	35	
Year	183.4	101.0	73.8	4.6	69.4	114.0	82.4	31.6	38	
1989										
Jan.	181.1	94.3	71.1	4.4	66.7	114.4	86.8	27.6	37	
Feb.	179.3	92.7	69.5	4.3	65.2	114.1	86.6	27.5	36	
Mar.	179.7	91.8	67.5	4.2	63.3	116.4	87.9	28.5	35	
I	180.0	92.9	69.4	4.3	65.1	114.9	87.1	27.8	36	
Apr.	179.5	88.6	63.0	4.0	59.0	120.5	90.9	29.6	33	
May	177.1	95.5	72.8	4.4	68.4	108.7	81.6	27.1	39	
June	179.1	99.6	78.7	4.7	74.0	105.1	79.5	25.6	41	
II	178.6	94.6	71.5	4.4	67.1	111.5	84.0	27.5	38	
July	182.8	100.6	80.1	4.9	75.2	107.6	82.2	25.4	41	
Aug.	184.6	101.3	79.5	4.9	74.6	110.0	83.3	26.7	40	
Sept.	184.4	100.6	75.0	4.7	70.3	114.1	83.8	30.3	38	
III	183.9	100.8	78.2	4.8	73.4	110.5	83.1	27.4	40	

1/ Estimated weighted-average of BLS prices of retail cuts from pork carcass. 2/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.06 is used. 3/ Market values to producer for 1.7 lb of live animal, equivalent to 1 lb of retail cuts. 4/ Portion of gross farm value attributable to edible and inedible by-products. 5/ Gross farm value minus by-product allowance. 6/ Percent net farm value is of retail price.

Imports of pork from Eastern Europe have declined rather dramatically as the crisis in agriculture continued to worsen. Of the three largest Eastern European traders with the United States, imports from Poland and Hungary declined 2 and 38 percent, respectively. Imports from Yugoslavia were up about 1 percent. Although Eastern European countries are desperate for foreign exchange, the condition of the livestock sector in most is such that they cannot meet domestic demand. It is highly doubtful that this situation will improve in the near future.

Therefore, pork imports are expected to continue below 1988 levels for the remainder of the year. Total pork imports for 1989 will probably equal about 950 million pounds. Imports for 1990 are expected increase to about a billion pounds if Danish production continues to increase and U.S. prices rise in response to reduced domestic production. Canadian production declines will continue to limit imports from that country but a substantial increase in the counter-vailing duty on live hogs could shift imports to pork. Higher U.S. prices could increase imports from Eastern Europe; however, revitalization of the pork sector there will probably not occur until the latter part of the year.

1989 Hog Imports Will Exceed 1988

Imports of Canadian hogs for the first 8 months of 1989 equaled 768,366 head, or 66 percent above last year. Since the beginning of the year, when pigs under 110 pounds were classified separately, approximately 14 percent of the swine

Table 32--U.S. pork trade, carcass weight 1/

Country or area	Annual 1988	January-August		
		1988	1989	Percent change
		Million pounds		Percent
Imports				
Canada	508.8	371.7	321.6	-13.5
Denmark	326.5	205.7	135.1	-34.3
Poland	128.6	88.3	86.3	-2.3
Hungary	44.2	30.7	18.9	-38.4
Other	129.1	89.6	73.0	-18.5
Total	1,137.2	785.9	634.8	-19.2
Exports				
Japan	121.2	80.0	89.4	11.8
Canada	8.8	5.6	8.3	47.3
Mexico	34.9	16.7	43.6	160.6
Caribbean	10.8	5.5	8.6	55.8
Other	19.5	13.3	14.9	12.1
Total	195.2	121.2	164.9	36.1

1/ Data may not add due to rounding. Percent change calculated from unrounded data.

imported from Canada were under 110 pounds. The price differential between western Canada and the United States widened during August but is expected to narrow through the rest of the year as western Canadian prices increase and the Canadian dollar appreciates. A lower differential between Canada and the United States, as well as reduced inventories, should slow the export of hogs to the United States in the last months of the year. Total imports for 1989 will probably be slightly above 900,000 head. Lower inventories, higher domestic prices, an appreciation of the Canadian dollar, plus an expected increase in the countervailing duty on live swine imports from Canada (in response to higher tripartite payments in 1988) will limit hog exports in 1990. If current conditions hold, imports of Canadian hogs could decline to about 600,000 head in 1990.

Pork Exports Continue to Rise

Pork exports have shown considerable strength through the first 8 months of the year with continued strength expected through the end of 1989. Exports to all major destinations for January-August are 36 percent higher than last year. Although exports to both Mexico and Japan remained strong, up 161 percent and 12 percent, respectively, much of the year-over-year increase was a result of weak export sales in the first quarter of 1988. Continued export strength is expected through the end of the year. As Japan enters its traditional Christmas-New Year buying period, exports will probably be slightly higher than last year. Taiwan's share of the Japanese market has declined as a result of increased domestic consumption during an election and labor shortages in the packing industry.

Mexico's president recently announced that the policy of keeping domestic food prices low would continue through March of 1990. This should lead to continued purchasing of U.S. hogs and pork products. As of October 1, Mexico lifted its restrictions on live hog imports from the United States. This could increase live hog exports but the 20-percent tariff

for both pork and hogs, imposed in July, could keep exports in the last quarter from reaching last year's levels.

If exports for the remainder of the year follow last year's patterns, 1989 exports could reach an 8-year high of about 240 million pounds. However, exports could drop in 1990 in the face of increased Danish and Taiwan supplies and higher U.S. prices and a weakening of the Mexican import market. Although there has been considerable excitement generated over concessionary sales of pork bellies and other pork products to Eastern Europe and the Soviet Union, it is questionable whether these sales will continue. If Mexico remains committed to importing basic foodstuffs and the dollar continues its current pattern vis-a-vis the yen, U.S. exports in 1990 could remain above the 200-million pound level.

Cattle

Forage Supply Improvement Continues

Pasture and range feed conditions in most areas improved dramatically in late spring and summer. Conditions on May 1 were rated 11 points below the 1978-87 average. Rains in late May resulted in better-than-normal improvement throughout the summer and conditions on October 1 were only 1 point below average. However, progress slowed in October and on November 1 conditions were rated 70, well above the 59 of a year ago but 6 points below the 1978-87 average. In spite of the improvement in most areas, conditions on November 1 were below the year-earlier and the 1978-87 average in Arizona, Nebraska, Louisiana, and New Mexico. Conditions in Texas and North Dakota were rated as severe drought, while Minnesota, Nebraska, South Dakota, Utah, and Wyoming were rated very poor.

Improved conditions in most areas, a low cattle inventory, and a less-than-seasonal dropoff in conditions during summer resulted in later marketings of stocker cattle off pasture and cow culling. Continued favorable conditions and poor feedlot returns may result in more stocker cattle being overwintered outside feedlots. Wheat planting and emergence in the primary wheat grazing areas of Kansas, Oklahoma, and Texas are well above average, although soil moisture conditions are somewhat limiting in Texas and Oklahoma. A similar situation occurred last year, resulting in many cattle being forced off wheat pasture in late fall-early winter. Conditions appear favorable for good wheat pasture in early November, but all three areas, particularly Texas and Oklahoma, need moisture to promote additional growth to carry stocker cattle through the period when the wheat plant is dormant.

A return to normal growing conditions this past summer raised crop harvest estimates, and also increased forage and hay supplies. Hay production estimates in October were in-

Table 33--U.S. live hogs trade 1/

Country or area	Annual 1988	January-August		
		1988	1989	Percent Change
		1,000 head		Percent
Imports				
Mexico	.6	.6	0	--
Canada				
Total	835.1	461.9	768.4	66.4
Under 110 lbs	--	--	107.8	--
Total	835.9	462.5	768.7	66.2
Exports				
Venezuela	2.5	1.5	3.1	111.0
Mexico	84.4	12.6	66.0	423.0
Other	4.3	2.6	7.2	175.1
Total	91.3	16.7	76.4	356.2

1/ May not add due to rounding. Percent change calculated from unrounded data.

creased by 5 million tons to 150 million tons, 19 percent above last year's drought-reduced harvest, and 3 percent above the 1978-87 average.

The farm price of hay in October averaged \$85.70, only \$1 a ton below a year ago even as supplies expanded. Hay available for sale likely remains low as most producers rebuild stocks. In addition, wet conditions in many areas improved yields, but lowered quality, particularly for dairy-quality alfalfa. Farm prices for alfalfa hay were about unchanged from a year ago, while other hay prices declined \$5.50 per ton.

Larger October 1 Feeder Supplies

Total feeder cattle supplies on October 1, 1989, were nearly 3 percent greater than last year. There were 17 percent more feeder steers and heifers 500 pounds and over; however, those under 500 pounds increased only slightly. Supplies outside feedlots increased partially because of delayed marketings off grass due to excellent forage conditions in most areas this summer, and the inability of feedlot operators to bid these cattle away from stocker operators. Cumulative 1989 feedlot placements through the first of October in the 13 quarterly reporting States were running nearly 3.5 percent below last year. Negative feedlot returns during much of this year and stronger feeder cattle prices kept summer-quarter placements down nearly 5 percent from a year earlier, following a 12-percent drop in the spring quarter. Even larger supplies of stocker-feeder cattle will be available because increased imports of feeder steers from Mexico began

in mid November. Imports are likely to rise above the 112,000 head imported from Mexico during November-December 1988 and will likely be closer to the 293,000 of the same period in 1987.

Seasonally, the largest number of feeder cattle are placed on feed during the fall quarter. This coincides with the seasonal reduction in pasture-carrying capacity, the grain harvest, lower feed costs, and larger available supplies of feeder cattle moving off pasture.

Table 34--October 1 feeder cattle supply

Item	1987	1988	1989	1989/1988
	1,000 head			Percent change
Calves less than 500 lb				
On farms July 1	31,100	31,000	30,900	-0.3
Slaughter July-Sept.	684	665	548	-17.6
On feed Oct. 1 1/	535	522	377	-27.8
Total	29,881	29,813	29,975	0.5
Steers & heifers 500 + lb 2/				
On farms July 1	22,400	21,800	21,700	-0.5
Slaughter July-Sept.	7,406	7,458	6,976	-6.5
On feed Oct. 1 1/	10,093	9,578	9,114	-4.5
Total	4,901	4,764	5,580	17.1
Total supply	34,782	34,577	35,555	2.8

1/ Estimated U.S. steers and heifers. 2/ Not including heifers for cow replacement.

Table 35--13-States cattle on feed, placements, marketings, and other disappearance

Year	On feed 1/	Percent change 2/	Placements	Percent change 2/	Fed marketings	Percent change 2/	Other disappearance	Percent change 2/
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1985								
I	10,653	7.3	5,315	-3.4	5,907	3.4	373	2.2
II	9,688	3.7	5,206	-6.5	5,787	3.0	437	-24.9
III	8,670	-3	5,480	-12.3	5,969	5.0	244	-9.0
IV	7,937	-11.8	7,365	-3.0	5,224	-5.1	324	-22.3
Year	---	---	23,366	-6.1	22,887	1.6	1,378	-15.6
1986								
I	9,754	-8.4	5,270	-.8	5,763	-2.4	316	-15.3
II	8,945	-7.7	5,221	.3	5,821	.6	375	-14.2
III	7,970	-8.1	6,336	15.6	5,876	-1.6	233	-4.5
IV	8,197	3.3	6,756	-8.3	5,396	3.3	312	-3.7
Year	---	---	23,583	.9	22,856	-.1	1,236	-10.3
1987								
I	9,245	-5.1	5,680	7.8	5,747	-.3	371	17.4
II	8,807	-1.5	5,906	13.1	5,619	-3.5	428	14.1
III	8,666	8.7	6,590	4.0	6,022	2.5	242	3.9
IV	8,992	9.7	6,718	-.6	5,603	3.8	338	8.3
Year	---	---	24,894	5.6	22,991	.6	1,379	11.6
1988								
I	9,769	5.7	5,824	2.5	5,823	1.3	385	3.8
II	9,385	6.6	5,893	-.2	5,859	4.3	418	-2.3
III	9,001	3.9	5,986	-9.2	6,171	2.5	225	-7.0
IV	8,591	-4.5	6,650	-1.0	5,486	-2.1	347	2.7
Year	---	---	24,353	-2.2	23,339	1.5	1,375	-.3
1989								
I	9,408	-3.7	6,212	-6.7	5,598	-3.9	344	-10.6
II	9,678	3.1	5,177	-12.2	5,985	2.2	415	-.7
III	8,455	-6.1	5,689	-5.0	5,856	-5.1	227	.9
IV	8,061	-6.2			5,370 3/	-2.1		

1/ Beginning of quarter. 2/ Percent change from previous year. 3/ Expected marketings.

Table 36--Cattle on feed, placements, and marketings,
13 States

Item	1987	1988	1989	1989/88
	1,000 head			Percent change
On feed July 1				
Placements, July-Sept.	8,666	9,001	8,455	-6
Marketings, July-Sept.	6,590	5,986	5,689	-5
Other disappearance, July-Sept.	6,022	6,171	5,856	-5
	242	225	227	+1
On feed October 1				
Steers & steer calves				
-500 lb	334	313	223	-29
500-699 lb	779	595	567	-5
700-899 lb	2,078	1,842	1,531	-17
900-1,099 lb	1,978	2,027	1,871	-8
1,100 + lb	731	774	924	+19
Heifers & heifer calves				
-500 lb	117	129	95	-26
500-699 lb	619	529	456	-14
700-899 lb	1,358	1,325	1,175	-11
900 + lb	968	1,025	1,186	+16
900-1,099	NA	NA	1,022	
1,100 + lb	NA	NA	164	
Cows	30	32	33	+3
Marketings, Oct.-Dec.	5,603	5,486	5,370 1/	-2

1/ Intentions.

Table 37--7-States cattle on feed, placements, and marketings

Year	On feed	Percent change 1/	Net placements	Percent change 1/	Marketings	Percent change 1/	Other disappearance	Percent change 1/
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1987								
Jan.	7,643	-3.5	1,464	-2.0	1,803	+3.0	127	+46.0
Feb.	7,304	-4.7	1,337	+18.5	1,478	+5	105	+14.1
Mar.	7,163	-2.2	1,630	+4.2	1,561	-2.0	89	+3.5
Apr.	7,232	-8	1,542	+6.7	1,541	-5.5	139	15.8
May	7,233	+1.8	1,841	+13.4	1,514	-7.4	143	+8.3
June	7,560	+6.5	1,335	+21.9	1,702	+3.3	87	+29.9
July	7,193	+9.9	1,203	-18.7	1,703	+7	71	+10.9
Aug.	6,693	+5.7	1,847	+6.6	1,722	+3.8	68	-2.9
Sept.	6,818	+6.5	2,358	+15.4	1,641	-2	71	+20.3
Oct.	7,535	+10.6	2,529	+8.9	1,700	+7.1	85	+4.9
Nov.	8,364	+10.8	1,526	-11.6	1,478	+2.1	103	+18.4
Dec.	8,412	+7.5	1,221	-8.3	1,567	+3.5	119	+14.4
1988								
Jan.	8,066	+5.5	1,557	+6.4	1,754	-2.7	106	-16.5
Feb.	7,869	+7.7	1,253	-6.3	1,535	+3.9	126	+20.0
Mar.	7,587	+5.9	1,742	+6.9	1,583	+1.4	106	+19.1
Apr.	7,746	+7.1	1,382	-10.4	1,609	+4.4	139	0
May	7,519	+4.0	2,024	+9.9	1,724	+13.9	141	-1.4
June	7,819	+3.4	1,309	-1.9	1,697	-3	68	-21.8
July	7,431	+3.3	1,184	-1.6	1,760	+3.3	62	-12.7
Aug.	6,855	+2.4	1,594	-13.7	1,760	+2.2	66	-2.9
Sept.	6,689	-1.9	2,102	-10.9	1,647	+4	67	-5.6
Oct.	7,144	-5.2	2,391	-5.5	1,601	-5.8	84	-1.2
Nov.	7,934	-5.1	1,573	+3.1	1,507	+2.0	107	+3.9
Dec.	8,000	-4.9	1,286	+5.3	1,521	-2.9	115	-3.4
1989								
Jan.	7,765	-3.7	1,607	+3.2	1,672	-4.7	104	-1.9
Feb.	7,700	-2.1	1,470	+17.3	1,509	-1.7	115	-8.7
Mar.	7,661	+1.0	1,900	+9.1	1,549	-2.1	75	-29.2
Apr.	8,012	+3.4	1,405	+1.7	1,570	-2.4	129	-7.2
May	7,847	+4.4	1,455	-28.1	1,747	+1.3	164	+16.3
June	7,555	-3.4	1,206	-7.9	1,751	+3.2	62	-8.8
July	7,010	-5.7	1,248	+5.4	1,690	-4.0	63	+1.6
Aug.	6,568	-4.2	1,542	-3.3	1,679	-4.6	76	+15.2
Sept.	6,431	-3.8	1,881	-10.5	1,564	-5.0	47	-29.9
Oct.	6,748	-5.5						

1/ Percent change is from previous year.

Fewer Cattle On Feed

Cattle on feed in the 13 reporting States on October 1 were only 94 percent of a year ago, the third lowest level since 1970. Feeder cattle were placed on feed at heavy weights during 1988 and 1989. Thus, on-feed weights are concentrated toward the heaviest groups for steers and heifers. Current expectations are for fed cattle supplies to tighten over the next 2 months because nearly half of the cattle on feed at the beginning of the quarter fell in the heaviest weight categories. Continued slower marketing during October suggests that feedlots are not current and heavy weights are likely to continue through November. Placements this fall will not be marketed until late winter-early spring. Thus, as the last of the heavier cattle are marketed relatively tight fed cattle supplies are expected for the remainder of this year.

Fourth-quarter marketing intentions from the 13 States suggest a 2-percent drop from last year to 5.37 million head. Placement weights remained heavy this past summer and into the fall, therefore, shortening the number of days on feed. However, part of the problem this fall was the difficulty of getting cattle to grade Choice without taking them above 1,200 pounds. The excellent feedlot gain rate of last spring and summer will deteriorate seasonally as fall and winter set in.

Cattle Slaughter Below Year Ago

Commercial cattle slaughter in 1989 is forecast to fall nearly 4 percent below a year ago to 33.7 million head. The 1.5-million-head decline will take slaughter to the lowest levels since the early 1980's, with steers and heifers accounting for most of the reduction. Steer and heifer slaughter was down 5 and 3 percent, respectively, through the end of the third quarter, and fourth-quarter declines likely will remain near these levels.

Lower nonfed slaughter and fewer feedlot placements over the past two quarters are the primary reason for the drop in steer and heifer slaughter. Also a less-than-seasonal rise in cow and bull slaughter is forecast for the fourth quarter. Cumulative 1989 cow slaughter through the end of October was down 2 percent from a year ago. The average decline has been closer to 8 percent since the first of June as many were culled earlier than normal in late winter-early spring, primarily because of drought. Thus, a smaller seasonal rise in slaughter is expected this fall and could keep fourth-quarter cow slaughter 5 percent below a year ago.

Heavy Dressed Weights Support Beef Production

The reduction in cattle slaughter has been partially offset by increased dressed weights. Heavier carcass weights can be attributed to a change in the slaughter mix—fewer cows and

nonfeds—and record-heavy carcass weights for feedlot cattle. Fall-quarter beef production may decline 3 percent from a year earlier. A 4-to 5-percent decline in slaughter will be partially offset by a 1-to-2 percent (6 to 8 pounds) year-to-year increase in slaughter weights.

For the year, beef production may decline about 3 percent, with nearly all the drop occurring from lower nonfed slaughter. Fed beef production is about unchanged as heavier weights more than offset an expected 3-percent drop in fed cattle marketings. Fed cattle marketings will comprise about 77 percent of slaughter, up from 70 percent as recently as 1986. Continued heavy feeder cattle placement weights, at least until next summer, and a further increase in fed cattle slaughter in 1990 would result in beef production rising about 1 percent next year. Next year's commercial beef production may show the strongest year-to-year increases in the second half of the year. Fed cattle may make up about 78 percent of the slaughter mix in 1990.

Beef exports will remain a very positive price aspect as the third year of expanded sales to Japan begins. Expected production increases in 1990 will not be sufficient to offset population growth and beef export increases. Thus, per capita beef consumption, on a retail weight equivalence, may decline nearly 1 pound in 1990 from this year's expected 68.5 pounds.

Cattle and Beef Prices Expected to Rise

Prices for Choice fed steers at Omaha may average \$71 to \$73 this fall, up from \$71 this summer, and for the year, average about \$3 higher than in 1988. Further modest gains are likely in 1990, with prices rising \$1 to \$2. A continued gain in beef's attractiveness to consumers is likely as more fat and bone are removed prior to sale at retail and with additional beef promotion. Retail prices for Choice beef may only rise 1 to 2 percent in 1990, following a 5-percent increase in 1989.

U.S. Cattle and Beef Trade

Live Cattle Imports

Imports of live cattle during 1989 are forecast to be 1.3 million head, down only 2 percent because of increased shipments from Mexico this fall. Live cattle are imported mainly from Mexico and to a lesser degree, Canada. Imports of live cattle were down for the first 8 months of 1989 by 14 percent to 882,583 head. Imports from Mexico were down 30 percent to 511,564 head during January-August 1989, and imports from Canada were up 28 percent to 369,888 head. Next year, imports are forecast to decline to 1.1 million head because of lower shipments from Canada.

Table 38--Calf slaughter by class under Federal inspection

	Bob veal	Fed		Other	Total
Year	150 lb & below	Formula 150-400 lb	Nonformula 150-400 lb	over 400 lb	

1,000 head					
1986	1,618.6	1,009.3	285.9	281.0	3,194.8
1987					
Jan	115.9	87.1	15.1	29.5	247.6
Feb.	104.5	82.2	13.3	24.7	224.7
Mar.	120.5	90.2	13.8	26.6	251.1
Apr.	89.4	86.8	15.5	23.2	214.9
May	70.0	80.7	14.4	24.0	189.1
Jun.	81.3	94.2	13.3	25.7	214.5
July	101.3	80.8	12.1	26.0	220.2
Aug.	101.6	64.2	14.8	21.8	202.4
Sept.	99.4	91.0	14.0	24.2	228.6
Oct.	102.8	85.6	19.3	25.4	233.1
Nov.	103.5	70.4	12.3	25.1	211.3
Dec.	117.6	89.5	13.5	21.3	241.9
Year	1,207.8	1,002.7	171.4	297.5	2,679.4
1988					
Jan.	92.5	82.0	12.5	18.1	205.1
Feb.	86.5	84.9	16.2	15.2	202.8
Mar.	96.3	92.8	11.4	15.3	215.8
Apr.	65.3	78.7	10.8	14.3	169.1
May	58.1	80.7	17.1	15.4	171.3
Jun.	82.1	90.4	14.2	17.1	203.8
July	106.3	74.2	14.1	12.4	207.0
Aug.	111.7	86.3	12.2	16.7	226.9
Sept.	92.7	85.0	13.1	16.5	207.3
Oct.	84.6	84.7	11.9	15.8	197.0
Nov.	94.7	81.4	11.3	14.1	201.5
Dec.	95.1	82.2	11.1	14.2	202.6
Year	1,065.9	1,003.3	155.9	185.1	2,410.2
1989					
Jan.	83.4	83.6	10.3	18.3	195.6
Feb.	75.7	76.6	7.7	15.3	175.3
Mar.	83.1	84.6	9.9	16.7	194.3
Apr.	49.8	74.5	7.3	23.9	152.0
May	54.7	77.9	9.3	15.4	157.3
June	56.4	81.6	8.1	15.1	161.2
July	97.1	82.8	10.3	16.6	206.8
Aug.	87.8	76.1	8.3	16.9	189.1
Sept.	77.3	68.4	10.6	16.7	173.0

Table 39--Commercial calf slaughter and production

Year	Slaughter	Dressed weight	Production
	1,000 head	Pounds	Million pounds
1986			
I	873	148	129
II	836	154	129
III	859	150	129
IV	839	145	122
Year	3,408	149	509
1987			
I	760	147	112
II	651	155	101
III	684	145	99
IV	720	144	104
Year	2,815	148	416
1988			
I	647	150	97
II	567	162	92
III	665	149	99
IV	627	158	99
Year	2,506	154	387
1989			
I	583	156	91
II	488	174	85
III	548	153	84

Table 40--Federally inspected cattle slaughter

Week ended	Cattle			Steers			Cows								
							Total			Dairy			Dairy/total		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
-----Thousands-----															
-----Percent-----															
Jan. 7	741	664	543	349	328	256	148	131	119	66	64	64	45	49	54
14	766	723	627	360	359	290	151	126	131	67	62	68	44	49	52
21	707	703	654	336	353	313	124	126	129	61	60	65	49	48	50
28	673	675	640	332	340	310	128	119	124	64	57	62	50	48	50
Feb. 4	674	646	624	316	335	300	135	116	113	67	58	60	50	50	53
11	621	639	605	303	332	300	119	106	103	59	55	56	50	52	55
18	602	637	644	292	316	319	109	118	119	55	59	64	50	50	54
25	657	640	628	326	314	309	121	121	108	65	60	62	54	49	57
Mar. 4	678	616	639	337	304	316	127	114	114	67	56	62	53	49	54
11	646	609	600	311	298	312	124	105	104	58	54	57	47	52	55
18	624	622	588	300	307	288	111	106	119	55	54	61	49	51	51
27	616	607	584	303	304	286	116	108	114	58	53	57	50	49	49
Apr. 1	652	617	587	328	316	286	121	106	111	57	51	57	47	48	51
8	649	600	609	333	310	300	114	101	118	51	50	57	45	50	48
15	681	619	646	349	315	335	119	110	117	52	54	56	44	49	48
22	639	670	663	330	349	332	117	108	122	48	50	56	41	46	46
29	635	674	652	321	356	332	118	109	122	48	50	54	41	46	44
May 6	631	664	666	309	358	326	116	104	128	46	46	56	40	44	44
13	700	664	670	348	344	339	124	109	118	50	47	50	37	43	43
20	695	682	675	355	348	344	131	118	115	49	48	50	37	41	44
27	613	689	673	308	355	342	107	125	115	43	52	50	40	42	44
June 3	680	575	589	351	298	301	117	96	99	50	39	42	43	41	43
10	669	681	662	340	336	328	115	120	114	49	50	49	43	42	43
17	649	678	680	320	338	339	123	129	114	49	53	53	40	41	46
24	680	678	658	339	344	331	129	120	109	52	50	48	40	42	44
July 1	621	682	671	316	348	329	109	119	112	47	50	50	43	42	44
8	652	609	564	338	306	288	114	108	79	51	51	37	45	48	47
15	682	724	691	339	341	335	128	135	122	53	62	56	41	46	46
22	672	691	672	333	359	326	121	116	115	51	55	55	42	47	48
29	676	694	638	339	346	312	123	112	106	56	57	52	46	51	49
Aug. 5	694	678	642	335	339	326	123	111	103	58	54	53	47	49	51
12	713	694	673	354	346	332	124	112	107	58	56	54	47	50	50
19	692	688	652	336	337	315	129	115	112	63	54	56	49	47	48
26	706	678	630	341	328	304	132	121	114	66	58	57	50	48	49
Sept 2	690	703	646	324	326	316	119	116	111	54	55	49	45	47	51
9	624	614	561	293	288	276	100	101	97	44	49	58	44	49	50
16	729	692	657	337	333	327	122	124	118	53	58	56	43	47	49
23	677	672	666	312	332	316	123	119	117	57	58	56	46	49	48
30	684	667	670	324	316	324	116	118	120	53	58	56	46	49	46
Oct. 7	690	674	660	340	309	310	120	125	126	53	56	57	44	46	45
14	696	680	662	338	311	309	128	127	128	55	56	57	43	44	45
21	676	673	647	319	312	303	136	132	132	57	58	58	42	44	44
28	663	676	652	315	310	297	140	143	142	59	64	60	44	45	42
Nov. 4	649	656		311	304		140	140		59	62		41	44	
11	643	621		301	298		135	134		56	62		41	46	
18	648	623		308	286		141	140		57	63		40	45	
25	576	546		280	260		109	110		46	51		42	46	
Dec. 2	646	648		305	298		139	145		58	67		42	46	
9	660	624		311	300		140	140		60	66		43	47	
16	638	623		324	306		114	126		51	62		45	50	
23	482	622		242	305		80	116		39	58		49	50	
30	561	549		291	281		86	90		41	46		48	51	

1/ Corresponding dates to 1989: 1987, Jan. 10; 1988, Jan. 9.

Table 41--Commercial cattle slaughter 1/ and production

Table 41. Commercial beef cattle slaughter, 1986-1989								
Year	Steers and heifers			Cows	Bulls and stags	Total	Dressed weight	Commercial production
	Fed	Nonfed	Total					
-----1,000 head-----						Pounds	Million pounds	
1986								
I	6,509	325	6,834	1,885	165	8,884	649	5,769
II	6,702	683	7,385	2,006	181	9,572	653	6,246
III	6,780	740	7,520	1,941	191	9,652	651	6,273
IV	6,126	748	6,874	2,129	177	9,180	645	5,925
Year	26,117	2,496	28,613	7,961	714	37,288	649	24,213
1987								
I	6,511	439	6,950	1,652	163	8,765	656	5,754
II	6,477	619	7,096	1,603	179	8,878	646	5,737
III	6,945	461	7,406	1,636	181	9,223	657	6,064
IV	6,353	543	6,896	1,719	166	8,781	666	5,850
Year	26,286	2,062	28,348	6,610	689	35,647	657	23,405
1988								
I	6,591	309	6,900	1,529	152	8,581	664	5,700
II	6,757	334	7,091	1,504	164	8,759	660	5,784
III	7,109	349	7,458	1,575	167	9,200	672	6,185
IV	6,218	431	6,649	1,729	161	8,539	674	5,755
Year	26,675	1,423	28,098	6,337	644	35,079	668	23,424
1989								
I	6,325	162	6,487	1,550	143	8,180	676	5,529
II	6,897	88	6,985	1,541	168	8,694	664	5,777
III	6,741	235	6,976	1,460	176	8,612	684	5,892

1/ Classes estimated.

Table 42--Beef, Choice Yield Grade 3: Retail, carcass, and farm values, spreads, and farmers' share

Year	-----Cents per pound-----							Farm retail-spread			Farmers' share 8/	
	Retail price 1/	Gross carcass value 2/	By-product allowance 3/	Net carcass value 4/	Gross farm value 5/	By-product allowance 6/	Net farm value 7/	Total	Carcass-retail	Farm-carcass		
-----Cents per pound-----												Percent
1985	232.6	137.0	1.8	135.2	142.2	15.4	126.8	105.8	97.4	8.4	55	
1986	230.7	134.3	1.2	133.1	140.0	15.6	124.4	106.3	97.6	8.7	54	
1987	242.5	146.7	1.4	145.3	157.6	19.7	137.9	104.6	97.2	7.4	57	
I	234.6	138.4	1.4	137.0	147.9	17.6	130.3	104.3	97.6	6.7	56	
II	243.2	157.6	1.5	156.1	167.8	20.0	147.8	95.4	87.1	8.3	61	
III	246.4	146.9	1.4	145.5	157.8	20.1	137.7	108.7	100.9	7.8	56	
IV	245.9	144.2	1.5	142.7	156.9	21.0	135.9	110.0	103.2	6.8	55	
1988												
I	245.9	150.7	1.7	149.0	166.0	23.2	142.8	103.1	96.9	6.2	58	
II	254.4	162.2	1.8	160.4	176.2	23.2	153.0	101.4	94.0	7.3	60	
III	258.9	151.3	1.7	149.6	163.9	21.6	142.2	116.7	109.3	7.4	55	
IV	259.4	158.2	1.7	156.5	171.4	20.0	151.4	108.0	102.9	5.1	58	
Year	254.7	155.6	1.7	153.9	169.4	22.0	147.4	107.3	100.8	6.5	58	
1989												
Jan.	264.3	161.5	1.7	159.8	175.4	19.6	155.8	108.5	104.5	4.0	59	
Feb.	265.2	162.5	1.6	160.9	177.7	20.1	157.6	107.6	104.3	3.3	59	
Mar.	269.5	169.0	1.6	167.4	185.6	21.7	163.9	105.6	102.1	3.5	61	
I	266.3	164.3	1.6	162.7	179.6	20.5	159.1	107.2	103.6	3.6	60	
Apr.	269.8	171.1	1.6	169.5	184.7	20.4	164.3	105.5	100.3	5.2	61	
May	271.9	169.3	1.6	167.7	180.7	19.8	160.9	111.0	104.2	6.8	59	
June	268.1	160.0	1.5	158.5	172.7	20.2	152.5	115.6	109.6	6.0	57	
II	269.9	166.8	1.6	165.2	179.3	20.1	159.2	110.7	104.7	6.0	59	
July	271.6	157.9	1.5	156.4	171.0	21.1	149.9	121.7	115.2	6.5	55	
Aug.	269.5	157.1	1.5	155.6	173.4	21.2	152.2	117.3	113.9	3.4	56	
Sept.	270.9	153.7	1.4	152.3	165.1	20.9	144.2	126.7	118.6	8.1	53	
III	270.7	156.2	1.4	154.8	169.8	21.0	148.8	121.9	115.9	6.0	55	

1/ Estimated weighted-average of BLS prices of retail cuts from Choice Yield Grade 3 carcass. 2/ Value of carcass-quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.476 is used. 3/ Portion of gross carcass value attributed to fat and bone trim. 4/ Gross carcass value minus carcass byproduct allowance. 5/ Market value to producer for 2.4 lb of live animal, equivalent to 1 lb of retail cuts. 6/ Portion of gross farm value attributed to edible and inedible byproducts. 7/ Gross farm value minus farm byproduct allowance. 8/ Percent net farm value is of retail price.

Tabl: 43--Corn Belt cattle feeding: Selected costs at current rates 1/

Purchased during 1988-89 Marketed during 1989-90	Nov. May	Dec. June	Jan. July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan.	Aug. Feb.	Sept. Mar.	Oct. Apr.
Expenses: (\$/head)												
600 lb. feeder steer	503.40	516.78	516.00	513.36	506.70	495.78	501.00	512.28	522.78	530.40	531.78	529.50
Transportation to feedlot-400 miles	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	112.50	112.50	115.20	116.10	117.00	114.98	116.55	112.73	110.70	100.80	100.80	96.53
Silage (1.7 tons)	46.21	47.20	48.55	50.26	50.99	50.33	50.91	48.36	44.75	41.90	40.92	39.55
Protein supplement (270 lb.)	41.85	41.85	41.85	41.85	41.85	39.29	39.29	39.29	38.75	38.75	38.75	38.48
Hay (400 lb.)	17.80	18.50	19.10	20.20	20.60	20.40	20.60	19.30	17.00	16.30	15.60	15.20
Total feed costs	218.36	220.05	224.70	228.41	230.44	224.99	227.34	219.67	211.20	197.75	196.06	189.75
Labor (4 hrs.)	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Management (1 hr.) 2/	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Vet medicine 3/	5.61	5.61	5.67	5.67	5.67	5.73	5.73	5.73	5.76	5.76	5.76	5.77
Interest on purchase (6 months)	29.25	30.02	30.73	30.57	30.17	30.94	31.26	31.97	32.31	32.78	32.86	32.17
Power, equip., fuel, shelter, deprec. 3/	26.15	26.15	26.46	26.46	26.46	26.74	26.74	26.74	26.87	26.87	26.87	26.90
Death loss (1% of purchase)	5.03	5.17	5.16	5.13	5.07	4.96	5.01	5.12	5.23	5.30	5.32	5.30
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous and indirect costs 3/	11.31	11.31	11.44	11.44	11.44	11.57	11.57	11.57	11.62	11.62	11.62	11.63
Total	833.63	849.61	854.68	855.57	850.48	835.23	843.18	847.61	850.29	845.01	844.80	835.53
Selling price required to cover: (\$/cwt.)												
Feed and feeder cost (1050 lb.)	68.74	70.17	70.54	70.64	70.20	68.64	69.37	69.71	69.90	69.35	69.32	68.50
All costs (1050 lb.)	79.39	80.91	81.40	81.48	81.00	79.55	80.30	80.72	80.98	80.48	80.46	79.57
Feed cost per 100 lb. gain (450 lb.)	48.53	48.90	49.93	50.76	51.21	50.00	50.52	48.82	46.93	43.94	43.57	42.17
Choice steers, Omaha (1000-1100 lb.)	74.52	71.71	70.74	71.09	68.44	69.69						
Net margin	-4.87	-9.20	-10.66	-10.39	-12.56	-9.86						
Prices:												
Feeder steer, Choice (600-700 lb.)												
Kansas City \$/cwt.	83.90	86.13	86.00	85.56	84.45	82.63	83.50	85.38	87.13	88.40	88.63	88.25
Corn \$/bu. 4/	2.50	2.50	2.56	2.58	2.60	2.56	2.59	2.51	2.46	2.24	2.24	2.15
Hay \$/ton 4/	89.00	92.50	95.50	101.00	103.00	102.00	103.00	96.50	85.00	81.50	78.00	76.00
Corn silage \$/ton 5/	24.69	27.76	28.56	29.57	30.00	29.61	29.95	28.45	26.33	24.65	24.07	23.27
Protein supplement (32-36%) \$/cwt. 6/	15.50	15.50	15.50	15.50	15.50	14.55	14.55	14.55	14.35	14.35	14.35	14.25
Farm labor \$/hour	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Interest rate, annual	11.62	11.62	11.91	11.91	11.91	12.48	12.48	12.48	12.36	12.36	12.36	12.15
Transportation rate \$/cwt. per 100 mile 7/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Mktg. expenses \$/cwt. 8/	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	1193	1193	1207	1207	1207	1220	1220	1220	1226	1226	1226	1227

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individuals for management, production, and locality of operation. 2/ Assumes 1 hour at twice the labor rate. 3/ Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 4/ Average price received by farmers in IA and IL. 5/ Price derived from an equivalent price of 5 bushels corn and 330 lb. hay. 6/ Average price paid by farmers in IA and IL. 7/ Converted from cents/mile for a 44,000-lb. haul. 8/ Yardage plus commission fees at a Midwest terminal market.

Table 44--Great Plains custom cattle feeding: Selected costs at current rates 1/

Purchased during 1988 Marketed during 1988-89	Nov. May	Dec. June	Jan. July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan.	Aug. Feb.	Sept. Mar.	Oct. Apr.
Expenses: (\$/head)												
600 lb. feeder steer	490.20	496.98	518.28	513.00	496.20	477.00	485.40	499.02	520.02	511.80	492.00	503.28
Transportation to feedlot (300 miles)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed												
Milo (1500 lb) 2/	72.15	71.40	74.70	72.75	73.05	72.00	72.75	71.25	70.65	77.25	72.75	73.35
Corn (1500 lb) 2/	80.85	82.05	83.10	80.70	81.15	79.95	80.25	78.90	79.35	70.50	68.10	63.90
Cotton seed meal (400 lb)	53.60	53.60	56.00	56.00	56.00	56.00	56.00	56.00	51.60	51.60	51.60	53.60
Alfalfa hay (800 lb)	52.00	51.60	53.20	54.00	49.20	57.60	52.80	52.80	64.00	62.00	62.00	65.20
Total feed cost	258.60	258.65	267.00	263.45	259.40	265.55	261.80	258.95	265.60	261.35	254.45	256.05
Feed handling and management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder and 1/2 feed	37.94	38.36	42.37	41.91	40.68	41.16	41.60	42.42	41.13	40.48	39.01	38.51
Death loss (1.5% of purchase)	7.35	7.45	7.77	7.69	7.44	7.15	7.28	7.49	7.80	7.68	7.38	7.55
Marketing 3/	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.
Total	825.06	832.41	866.38	857.01	834.69	821.82	827.04	838.84	865.51	852.26	823.80	836.35
Selling price required to cover: 4/ \$/cwt.												
Feed and feeder cost (1056 lb)	70.91	71.56	74.36	73.53	71.55	70.32	70.76	71.78	74.40	73.21	70.69	71.91
All costs	78.13	78.83	82.04	81.16	79.04	77.82	78.32	79.44	81.96	80.71	78.01	79.20
Selling price 5/	75.30	71.71	71.28	73.88	69.75	72.09						
Net margin	-2.83	-7.12	-10.76	-7.28	-9.29	-5.73						
Cost per 100 lb. gain:												
Variable cost												
less interest \$/cwt.	57.99	58.02	59.75	59.03	58.17	59.34	58.62	58.09	59.48	58.61	57.17	57.52
Feed costs \$/cwt.	51.72	51.73	53.40	52.69	51.88	53.11	52.36	51.79	53.12	52.27	50.89	51.21
Prices: (\$/cwt)												
Choice feeder steer 600-700 lb. Amarillo	81.70	82.83	86.38	85.50	82.70	79.50	80.90	83.17	86.67	85.30	82.00	83.88
Transportation rate \$/cwt/100 miles 6/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Commission fee \$/cwt.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Milo \$/cwt.	4.66	4.61	4.83	4.70	4.72	4.65	4.70	4.60	4.56	5.00	4.70	4.74
Corn \$/cwt.	5.24	5.32	5.39	5.23	5.26	5.18	5.20	5.11	5.14	4.55	4.39	4.11
Cottonseed Meal (41%) \$/cwt. 7/	13.40	13.40	14.00	14.00	14.00	14.00	14.00	14.00	12.90	12.90	12.90	13.40
Alfalfa hay \$/ton 8/	100.00	99.00	103.00	105.00	93.00	114.00	102.00	102.00	130.00	125.00	125.00	133.00
Feed handling and management \$/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate 9/	12.25	12.25	13.00	13.00	13.00	13.50	13.50	13.50	12.60	12.60	12.60	12.20

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lb in 180 days at 2.8 lb per day with feed conversion of 8.4 lb per pound gain. 2/ Texas Panhandle elevator price plus \$0.15/cwt handling and transportation to feedlots. 3/ Most cattle sold f.o.b. at the feedlot with 4-percent shrink. 4/ Sale weight 1,056 lb (1,100 lb less 4-percent shrink). 5/ Choice slaughter steers, 900-1100 lb, Texas-New Mexico direct. 6/ Converted from cents per mile for a 44,000-lb haul. 7/ Average prices paid by farmers in Texas. 8/ Average price received by farmers in Texas plus \$30/ton handling and transportation to feedlots. 9/ Prime rate plus 2 points.

Mexico's export year for feeder steers runs from September through August. Last year, the Mexican government abolished the Export Quota System and instituted a system which sets an export tariff of 20 percent per head (minimum of US\$60) for exports up to 500,000 head. This tax has been reduced to 10 percent or \$30 per head. The export quota has also been increased to about 700,000 head. As a result, the flow of cattle from Mexico to the United States is likely to be quite heavy in the last quarter of this year and early 1990. The tariff is scheduled to be reduced in September 1990 to 5 percent and reduced again in September 1991 to 1.67 percent. In September 1992, the tariff will be eliminated.

The extended dry period in Mexico negatively affected pastures and range, and production of beef in 1989 increased because of distress slaughter. Inventories are down this year and are expected to continue to decline because the fixed official price for beef has been set low to help consumers and provides little incentive for producers to expand. This makes sales of feeder steers to the United States even more attractive.

U.S. imports of Canadian cattle are unusually high this year. Most of the increase, according to Canadian statistics, is in slaughter cows and heifers. Dairy producers, particularly in eastern Canada, are liquidating herds to decrease manufacturing milk production. In western Canada, dry weather added to the cow disposal. Canadian cattle inventories are expected to increase marginally this year and next.

U.S. cattle imports are forecast to decline next year mainly because of fewer imports from Canada. The new slaughter facility in Alberta should draw upon fed cattle that might otherwise be exported and dairy herd liquidation should slow.

More U.S. Beef and Veal Exported to Japan

U.S. beef and veal exports are forecast to increase by 46 percent in 1989 to 993 million pounds, carcass weight. An additional increase of 12 to 15 percent is likely next year. In January-August 1989, U.S. exports of beef and veal rose 66 percent to 684 million pounds, with about 75 percent of the beef and veal shipped to Japan. The Japanese reportedly have taken about two-thirds of the 344,000 metric tons, product weight, agreed to under their quota in the first half of their fiscal 1990. However, storage facilities in Japan, mainly for frozen beef, are strained. At present, a substantial amount of the meat sent from the United States is frozen. A larger share of the Australian beef is chilled.

The heavier Japanese imports during the beginning of the year may have been the result of stockpiling, with importers anticipating greater consumer demand than has materialized. Also, the infrastructure to handle the additional beef needs to be developed, and there apparently is some difficulty finding outlets for frozen beef. Retail beef prices also do not yet

Table 45--U.S. live cattle trade 1/

Country or area	Annual 1988	January-August		
		1988	1989	Percent change
		Thousand head		Percent
Imports				
Mexico	844.2	732.0	511.6	-30.1
Canada	487.5	290.0	369.9	27.5
Other	.5	0.4	1.1	200.0
Total	1,332.2	1,022.4	882.6	-13.7
Exports				
Mexico	257.1	120.6	103.3	-14.3
Canada	15.3	10.7	8.4	-21.5
Other	49.0	29.2	14.9	-49.2
Total	321.4	160.5	126.5	-21.2

1/ May not add due to rounding. Percent change calculated from unrounded data.

Table 46--Imports of feeder cattle and calves and hogs from Canada and Mexico

Year	Feeder cattle and calves		Hogs
	Canada	Mexico	Canada
	Number		
1987			
Jan.	13,615	108,916	48,558
Feb.	19,154	131,631	20,745
Mar.	21,513	134,011	32,206
Apr.	28,569	92,943	47,763
May	27,497	46,567	31,270
June	35,431	95,977	35,143
July	14,568	28,333	40,183
Aug.	13,461	3,419	34,300
Sept.	11,138	12	37,560
Oct.	17,638	0	35,499
Nov.	20,549	4,950	31,787
Dec.	21,577	288,173	50,849
Total	244,710	934,932	445,863
1988			
Jan.	28,013	304,053	58,942
Feb.	29,193	233,635	43,759
Mar.	34,848	95,394	53,682
Apr.	30,899	58,169	55,393
May	44,319	32,816	51,366
June	41,631	5,043	62,137
July	25,098	0	53,360
Aug.	48,177	8	83,256
Sept.	56,200	0	104,310
Oct.	53,307	178	108,945
Nov.	56,006	4,184	106,901
Dec.	29,016	107,805	53,074
Total	476,707	841,285	835,125
1989			
Jan.	52,285	105,822	162,762
Feb.	34,515	146,996	103,245
Mar.	39,386	132,921	144,106
Apr.	46,410	108,428	65,383
May	61,756	9,401	74,488
June	58,534	233	70,821
July	19,379	3,429	35,796
Aug.	51,205	4,172	111,765

reflect the lower prices for imported beef under the new system. As a result, Japanese imports may slow in late 1989.

The United States has been able to increase market share in the growing Japanese market but the Australians are increasing the number and capacity of feedlots which will give the United States some competition or at least raise the quality of a portion of their slaughter. The grass fed beef sector is expected to continue to provide the largest share of

Australia's beef output. The Japanese beef quota will increase next year by another 60,000 metric tons.

Even with output in Australia down this year because of rebuilding herds, their exports to Japan have risen. Beef production is forecast to rise in Australia during 1990, increasing their ability to ship to the Japanese and U.S. markets.

U.S. exports to Korea increased the first 8 months of 1989 to 36 million pounds. In August 1988, the Korean government allowed beef imports which had been banned since 1984. However, imports remained regulated by a strict quota. The South Korean government agreed on November 7 to accept a ruling by the General Agreement on Tariffs and Trade (GATT) against their beef import restrictions. Over the next 90 days, negotiations will be carried out to schedule the opening of the Korean beef market.

U.S. Beef and Veal Imports Decline

U.S. beef and veal imports for 1989 are forecast to decline 8 percent to 2,180 million pounds, carcass weight, mainly because of the decline in beef from Australia. In 1990, U.S. imports are forecast to increase from Australia but be down from New Zealand. As a result, total imports are likely to be 2,140 million pounds.

In January-August 1989, U.S. beef and veal imports were down 18 percent to 1,480 million pounds. Australia, usually the major supplier, was down 42 percent. As Australian output declined and demand for beef in the domestic market and Japanese and Korean markets increased, Australian saleyard prices increased. This reduced the attractiveness of Australian beef in the U.S. market. Saleyard prices have softened and U.S. imports should begin to pick up from Australia.

Table 47--U.S. beef and veal trade, carcass weight 1/

Country or area	Annual 1988	January-August		
		1988	1989	Percent change
	Million pounds			Percent
Imports				
Australia	1,081.5	825.5	480.4	-41.8
New Zealand	641.0	542.1	571.3	5.4
Canada	172.0	110.1	145.3	32.0
Brazil	117.8	79.9	52.1	-34.8
Argentina	184.3	120.8	116.2	-3.8
Central America	177.2	105.2	98.2	-6.7
Other	32.0	18.6	16.0	-13.9
Total	2,405.8	1,802.1	1,479.6	-17.9
Exports				
Japan	503.5	302.2	510.8	69.0
Canada	52.6	34.2	61.1	78.5
Caribbean	22.9	14.5	13.3	-7.9
Korea, S.	16.1	1.2	36.5	3,058.0
Other	94.9	60.2	62.8	4.2
Total	690.0	412.3	684.5	66.0

1/ Data may not add due to rounding. Percent change calculated from unrounded data.

Imports from New Zealand, however, were up 5 percent during January-August 1989. Dry weather until about May increased slaughter in New Zealand. About three-fourths of the beef produced there is exported and three-fourths of the exports go to the United States. Exports are expected to fall through next year as output declines. The New Zealand cattle inventory continues to decline because of the large number of cows slaughtered due to the effects of the drought and high interest rates.

Sheep and Lambs

Sheep producers continue to increase the level of culling in their breeding herds. This is evident in the increased sheep and lamb slaughter, which accounted for the rise in production in the third quarter, and the increased exports of sheep to Mexico. A large proportion of the increase in sheep and lamb slaughter was mature sheep, 20,000 head out of a 27,000-head increase. More slaughter in the third quarter was consistent with the trend in mature sheep slaughter for the year, up 17 percent. Part of this rise in slaughter was due to the closing of the Mexican border to live sheep from the United States for several months. Exports of live sheep to Mexico were 207,000 head through August 1989, up from 62,000 head for that period of 1988. Continued culling of mature sheep raises questions about the expansion in the sheep industry.

Lamb and mutton production in the third quarter of 1989 was 82 million pounds, up 2 million pounds from 1988. Fourth-quarter lamb and mutton production is expected to be 83 million pounds, down slightly from 1988. Production for 1990 is expected to be 330 million pounds, down 2 million pounds from 1989.

Table 48--Commercial sheep and lamb slaughter 1/ and production

Year	Lambs	Sheep	Total	Dressed weight	Production
	-----1,000 hd.-----			lb.	Mil lb.
1986					
I	1,438	72	1,510	60	90
II	1,246	97	1,343	58	78
III	1,324	80	1,404	58	81
IV	1,306	72	1,378	60	82
Year	3,514	321	5,635	59	331
1987					
I	1,213	57	1,270	60	76
II	1,211	79	1,290	58	75
III	1,241	75	1,316	59	77
IV	1,253	70	1,323	61	81
Year	4,918	281	5,199	59	309
1988					
I	1,292	62	1,354	63	85
II	1,178	82	1,260	63	80
III	1,255	80	1,335	60	80
IV	1,265	79	1,344	62	84
Year	4,990	303	5,293	62	329
1989					
I	1,306	66	1,372	63	87
II	1,197	96	1,293	62	80
III	1,263	101	1,364	60	82

1/ Classes estimated.

Prices for slaughter lambs at San Angelo averaged \$66.29 for third-quarter 1989, up from \$59.02 in 1988. Fourth-quarter prices are expected to range between \$62 and \$64, unchanged from a year ago. Slaughter lamb prices are expected to average \$66.72 in 1990, up slightly from this year.

U.S. Feeder Lamb Imports

Imports of lambs and sheep during January-August 1989 reached 106,676 head from 24,775 last year. Sheep imports have traditionally been mainly from Canada. However, 82,389 head have been imported this year from New Zealand and placed in special quarantine confinement facilities in Portland, Oregon, for about a month and then moved into feedlots.

With the investment in the facilities and the initial outlook for lamb prices to be marginally above present levels, lambs

should continue to be imported next year. However, it is possible that imports could be affected by Government intervention because the American sheep industry has petitioned the Commerce Department to have the countervailing duty on New Zealand lamb meat extended to include live lambs.

U.S. Lamb and Mutton Imports

Total U.S. lamb and mutton imports were up 11 percent in the first 8 months of 1989. Fresh or frozen lamb was up 17 percent to 25 million pounds, carcass weight. Lamb is supplied primarily by Australia and New Zealand but mutton comes mainly from Australia. There has been considerable promotion and advertising for imported lamb in selected areas in the Eastern United States. This promotion has increased the consumers' awareness of lamb.

Table 49--Average retail price per pound of specified meat cuts

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Dollars												
Choice Beef:												
Ground chuck												
1987	1.69	1.65	1.68	1.70	1.70	1.71	1.71	1.72	1.72	1.71	1.74	1.75
1988	1.74	1.74	1.75	1.74	1.74	1.77	1.75	1.74	1.77	1.78	1.81	1.79
1989	1.81	1.80	1.85	1.82	1.82	1.80	1.81	1.82	1.82			
Ground beef												
1987	1.30	1.27	1.28	1.29	1.32	1.30	1.31	1.32	1.32	1.33	1.35	1.32
1988	1.31	1.32	1.34	1.34	1.36	1.39	1.37	1.37	1.37	1.39	1.41	1.40
1989	1.40	1.37	1.43	1.42	1.44	1.44	1.44	1.45	1.46			
Chuck roast, bone in												
1987	1.68	1.64	1.63	1.70	1.65	1.71	1.70	1.66	1.67	1.72	1.71	1.66
1988	1.64	1.74	1.69	1.72	1.80	1.78	1.70	1.67	1.74	1.74	1.74	1.80
1989	1.81	1.91	1.87	1.89	1.90	1.86	1.86	1.78	1.88			
Round roast, boneless												
1987	2.54	2.47	2.49	2.45	2.59	2.56	2.50	2.51	2.57	2.58	2.58	2.56
1988	2.56	2.61	2.67	2.60	2.61	2.66	2.63	2.64	2.64	2.60	2.68	2.68
1989	2.75	2.75	2.76	2.77	2.78	2.73	2.73	2.71	2.78			
Rib roast, bone in												
1987	3.44	3.44	3.37	3.29	3.48	3.64	3.69	3.67	3.60	3.63	3.64	3.57
1988	3.57	3.59	3.66	3.75	3.72	3.93	4.02	4.04	4.12	4.12	4.10	4.03
1989	4.11	4.04	4.06	4.16	4.24	4.06	4.34	4.29	4.19			
Round steak, boneless												
1987	2.80	2.80	2.76	2.81	2.94	2.96	2.91	2.93	2.92	2.96	2.92	2.93
1988	2.88	2.94	2.94	3.01	3.00	3.05	2.99	2.99	3.04	2.98	3.00	3.01
1989	3.07	3.09	3.12	3.14	3.10	3.06	3.11	3.12	3.10			
Sirloin steak, bone in												
1987	2.81	2.96	2.87	3.02	3.22	3.44	3.36	3.23	3.26	3.12	3.15	3.16
1988	2.99	3.04	3.12	3.18	3.35	3.49	3.54	3.39	3.45	3.30	3.36	3.23
1989	3.39	3.40	3.61	3.57	3.70	3.67	3.70	3.66	3.62			
Chuck steak, bone in 1/												
1987	1.71	1.65	1.64	1.69	1.59	1.62	1.62	1.61	1.61	1.61	1.62	1.62
1988	1.61	1.62	1.64	1.65	1.67	1.71	1.70	1.69	1.70	1.70	1.72	1.71
1989	1.74	1.74	1.78	1.78	1.79	1.78	1.79	1.79	1.80			
T-Bone steak, bone in												
1987	3.86	3.79	3.83	4.01	4.33	4.64	4.77	4.45	4.37	4.31	4.29	4.27
1988	4.31	4.27	4.33	4.43	4.54	4.90	5.18	5.20	4.86	4.84	4.83	4.97
1989	4.95	4.91	5.05	5.04	5.14	5.16	5.22	5.10	5.15			
Porterhouse steak, 1/												
bone in												
1987	4.22	4.19	4.22	4.26	4.36	4.44	4.44	4.42	4.39	4.40	4.44	4.43
1988	4.40	4.43	4.48	4.51	4.56	4.66	4.63	4.60	4.64	4.64	4.68	4.68
1989	4.74	4.76	4.86	4.86	4.89	4.87	4.88	4.89	4.90			
Pork:												
Bacon, sliced												
1987	2.12	2.09	2.10	2.08	2.11	2.13	2.23	2.28	2.28	2.19	2.07	2.02
1988	1.95	1.94	1.92	1.91	1.90	1.90	1.91	1.88	1.84	1.86	1.80	1.79
1989	1.80	1.80	1.79	1.75	1.68	1.69	1.71	1.72	1.72			
Chops, center cut												
1987	2.72	2.70	2.64	2.74	2.78	2.97	3.01	3.00	2.98	2.92	2.74	2.67
1988	2.66	2.72	2.68	2.71	2.78	2.93	2.90	2.87	2.90	2.77	2.67	2.65
1989	2.78	2.75	2.80	2.80	2.76	2.82	2.91	2.92	2.95			
Ham, rump or shank half 1/												
1987	1.60	1.59	1.50	1.36	1.44	1.50	1.52	1.56	1.58	1.62	1.65	1.60
1988	1.63	1.57	1.60	1.58	1.58	1.62	1.62	1.62	1.61	1.59	1.56	1.55
1989	1.58	1.57	1.57	1.58	1.56	1.58	1.61	1.63	1.62			
Sirloin roast, bone in 1/												
1987	1.90	1.82	1.81	1.89	1.92	1.95	2.02	2.04	2.05	2.01	1.95	1.91
1988	1.92	1.90	1.90	1.88	1.89	1.94	1.93	1.93	1.92	1.89	1.86	1.85
1989	1.88	1.88	1.88	1.88	1.86	1.89	1.92	1.94	1.93			
Shoulder picnic, bone in												
1987	1.15	1.10	1.06	1.03	1.08	1.03	1.11	1.14	1.16	1.19	1.16	1.16
1988	1.14	1.13	1.14	1.12	1.09	1.15	1.13	1.11	1.11	1.10	1.12	1.10
1989	1.12	1.06	1.06	1.08	1.07	1.08	1.09	1.10	1.10			
Sausage, fresh, pork,												
loose												
1987	2.01	2.02	1.99	1.97	1.98	1.94	2.00	2.02	2.01	1.92	1.97	1.99
1988	2.05	1.97	1.99	2.02	2.02	1.95	1.99	1.94	1.95	1.90	1.89	1.92
1989	1.92	1.94	1.92	1.93	1.94	1.93	1.99	2.04	2.02			
Miscellaneous cuts:												
Ham, canned, 3 or 5 lb												
1987	2.84	2.85	2.83	2.77	2.74	2.76	2.83	2.84	2.83	2.85	2.78	2.72
1988	2.77	2.75	2.71	2.73	2.74	2.73	2.77	2.73	2.74	2.74	2.69	2.60
1989	2.75	2.71	2.63	2.70	2.64	2.68	2.66	2.65	2.70			
Frankfurters, all meat												
1987	1.98	1.99	1.96	1.98	1.96	2.00	1.91	2.01	1.98	2.04	2.04	2.02
1988	2.02	2.04	2.05	2.01	2.02	2.02	2.01	2.02	2.00	2.02	2.03	2.04
1989	2.08	2.07	2.07	2.03	2.05	2.02	2.01	2.09	2.09			
Bologna												
1987	2.22	2.17	2.19	2.15	2.14	2.15	2.21	2.21	2.21	2.20	2.21	2.24
1988	2.24	2.23	2.23	2.20	2.18	2.24	2.26	2.29	2.25	2.27	2.28	2.24
1989	2.22	2.24	2.23	2.24	2.23	2.24	2.24	2.27	2.34			

1/ While these specific cut prices are no longer available from the Bureau of Labor Statistics (BLS), ERS uses the BLS index and historical data to estimate these prices monthly.

Source: Bureau of Labor Statistics.

Table 50--Red meat supply and utilization, carcass and retail weight 1/

Year	Production		Begin- ning stocks	Im- ports	Total supply	Ex- ports	Ship- ments	Ending stocks	Total disap- pearance	Per capita	
	Commer- cial	Farm								Carcass weight	Retail weight
-----Million pounds-----										-----Pounds-----	
Beef:											
1988											
I	5,700	58	386	703	6,847	134	16	419	6,278	25.6	18.0
II	5,784	25	419	668	6,896	155	9	332	6,390	26.0	18.3
III	6,185	24	332	585	7,126	188	15	409	6,514	26.4	18.6
IV	5,755	58	409	423	6,645	203	4	422	6,006	24.3	17.1
Year	23,424	165	386	2,379	26,354	680	64	422	25,188	102.3	72.1
1989 2/											
I	5,529	58	422	566	6,575	212	15	397	5,951	24.0	16.9
II	5,777	25	397	533	6,732	271	15	319	6,127	24.7	17.4
III	5,892	24	322	556	6,794	290	15	308	6,181	24.8	17.5
Year	22,798	165	422	2,180	25,565	993	60	325	24,187	97.3	68.6
1990 2/											
Year	23,000	165	325	2,140	25,630	1,120	60	325	24,125	96.2	67.8
Pork:											
1988											
I	3,790	22	347	310	4,469	25	30	419	3,995	16.3	15.4
II	3,727	9	419	287	4,442	60	30	439	3,913	15.9	15.1
III	3,775	8	439	274	4,496	51	25	352	4,068	16.5	15.6
IV	4,331	22	352	266	4,971	59	41	413	4,458	18.0	17.0
Year	15,623	61	347	1,137	17,168	195	126	413	16,434	66.7	63.1
1989 2/											
I	3,887	22	413	251	4,573	55	35	470	4,013	16.2	15.3
II	3,928	9	470	247	4,654	66	35	462	4,091	16.5	15.6
III	3,789	8	462	220	4,479	59	35	340	4,045	16.3	15.4
Year	15,829	61	413	950	17,253	240	140	370	16,503	66.4	62.9
1990 2/											
Year	16,000	61	370	1,000	17,431	205	140	375	16,711	66.6	63.2
Veal:											
1988											
I	97	4	4	9	114	2	0	5	107	0.4	0.4
II	92	1	5	4	102	2	0	4	96	0.4	0.3
III	99	1	4	6	110	3	1	3	103	0.4	0.3
IV	99	3	3	8	113	3	1	5	104	0.4	0.3
Year	387	9	4	27	427	10	2	5	410	1.7	1.4
1989 2/											
I	91	4	5	0 3/	100	0	0	7	93	0.4	0.3
II	85	1	7	0	93	0	0	6	87	0.4	0.3
III	84	1	6	0	91	0	0	5	86	0.3	0.3
Year	345	9	5	0	359	0	1	5	353	1.4	1.2
1990 2/											
Year	345	9	5	0	359	0	1	4	354	1.4	1.2
Lamb and Mutton:											
1988											
I	85	2	8	19	114	0	0	7	107	0.4	0.4
II	80	1	7	15	103	0	1	9	93	0.4	0.3
III	80	1	9	8	98	0	0	7	91	0.4	0.3
IV	84	2	7	9	102	1	0	6	95	0.4	0.3
Year	329	6	8	51	394	1	1	6	386	1.6	1.4
1989 2/											
I	87	2	6	16	111	1	0	7	103	0.4	0.4
II	81	1	7	16	105	0	0	7	98	0.4	0.3
III	82	1	8	15	106	1	0	7	98	0.4	0.4
Year	333	6	6	60	405	2	0	7	396	1.6	1.4
1990 2/											
Year	330	6	7	63	406	1	1	7	397	1.6	1.4
Total red meat:											
1988											
I	9,672	86	745	1,041	11,543	161	46	850	10,486	42.7	34.2
II	9,683	36	850	974	11,543	217	49	784	10,493	42.7	34.0
III	10,139	34	784	873	11,830	242	41	771	10,776	43.7	34.9
IV	10,269	85	771	706	11,831	266	56	846	10,663	43.1	34.8
Year	39,763	241	745	3,594	44,343	886	193	846	42,418	172.2	137.9
1989 2/											
I	9,594	86	846	833	11,359	268	50	881	10,160	41.0	33.0
II	9,871	36	881	796	11,584	337	50	798	10,399	41.9	33.6
III	9,847	34	798	971	11,470	350	50	660	10,410	41.8	33.6
Year	39,305	241	846	3,190	43,582	1,235	201	707	41,439	166.7	134.1
1990 2/											
Year	39,675	241	707	3,203	43,826	1,326	202	711	41,587	165.8	133.6

1/ May not add due to rounding. 2/ Forecast. 3/ Beginning in 1989 veal trade no longer reported separately.

Table 51--Poultry supply and utilization

Year	Slaughter			Begin- ning stocks	Total supply	Ex- ports	Ship- ments	Ending stocks	Total disap- pearance	Per capita Retail weight
	Feder- ally Inspected	Other	Total							
----- Million pounds -----										
Pounds										
Young chicken:										
1988										
I	3,996	18	4,015	25	4,040	163	38	36	3,803	15.5
II	4,079	19	4,098	36	4,134	190	38	41	3,864	15.7
III	4,035	5	4,039	40	4,085	198	37	32	3,813	15.5
IV	4,015	13	4,028	32	4,060	214	38	36	3,772	15.3
Year	16,124	56	16,180	25	16,205	765	151	36	15,253	62.0
1989										
I	4,129	13	4,142	36	4,178	213	35	32	3,898	15.7
II	4,389	15	4,404	32	4,436	249	35	34	4,118	16.6
III	4,394	16	4,410	34	4,444	235	35	45	4,129	16.6
Year 2/	17,212	58	17,270	36	17,306	937	140	35	16,193	65.1
1990 2/										
Year	18,485	64	18,549	35	18,584	920	140	30	17,494	69.8
Other chicken:										
1988										
I	153	28	181	188	369	6	1	197	165	0.7
II	150	27	177	197	374	4	1	161	208	0.8
III	112	20	132	161	293	7	1	147	138	0.6
IV	125	23	148	147	295	9	1	157	129	0.5
Year	540	97	638	188	826	26	3	157	641	2.6
1989										
I	137	25	161	157	318	6	1	146	165	0.7
II	135	24	160	146	306	5	1	157	143	0.6
III	132	24	156	157	313	7	1	160	145	0.6
Year 2/	534	96	630	157	787	23	4	150	610	2.5
1990 2/										
Year	540	98	638	150	788	20	4	150	614	2.4
Total chicken:										
1988										
I	4,149	46	4,196	213	4,409	169	39	233	3,968	16.5
II	4,229	46	4,275	232	4,508	194	39	202	4,072	16.6
III	4,147	25	4,171	202	4,378	205	38	179	3,951	16.1
IV	4,140	36	4,176	179	4,355	223	39	193	3,901	15.8
Year	16,665	153	16,818	213	17,031	791	153	193	15,894	64.6
1989										
I	4,266	38	4,303	193	4,496	219	36	178	4,063	16.4
II	4,524	39	4,563	178	4,742	254	36	192	4,260	17.2
III	4,526	40	4,566	191	4,757	242	36	205	4,274	17.2
Year 2/	17,746	154	17,900	193	18,093	960	144	180	16,803	67.6
1990 2/										
Year	19,025	162	19,187	185	19,372	940	144	180	18,108	72.2
Turkey:										
1988										
I	837	10	846	282	1,128	13	1	339	776	3.2
II	981	4	985	339	1,324	11	0	457	855	3.5
III	1,066	19	1,084	457	1,541	15	0	573	952	3.9
IV	1,040	12	1,053	573	1,626	11	1	250	1,364	5.5
Year	3,923	45	3,968	282	4,250	51	2	250	3,948	16.0
1989										
I	804	7	811	250	1,061	8	1	269	783	3.2
II	1,104	14	1,028	269	1,297	10	1	455	832	3.4
III	1,176	17	1,193	455	1,648	14	1	578	1,055	4.2
Year 2/	4,164	52	4,216	250	4,466	44	4	260	4,158	16.7
1990 2/										
Year	4,350	50	4,400	260	4,660	48	4	280	4,328	17.2
Total poultry:										
1988										
I	4,986	56	5,042	495	5,557	182	39	571	4,744	19.3
II	5,210	60	5,260	571	5,831	206	39	659	4,928	20.0
III	5,213	44	5,255	659	5,914	220	38	752	4,903	19.9
IV	5,180	48	5,229	752	5,981	235	39	442	5,266	21.3
Year	20,587	198	20,786	495	21,281	843	156	442	19,841	80.6
1989										
I	5,070	45	5,114	442	5,556	227	37	447	4,845	19.5
II	5,539	53	5,591	448	6,039	264	37	646	5,092	20.5
III	5,702	57	5,759	646	6,405	256	37	782	5,329	21.4
Year 2/	21,910	206	22,116	442	22,558	1,004	148	445	20,961	84.3
1990 2/										
Year	23,375	212	23,587	445	24,032	988	148	460	22,436	89.4

1/ May not add due to rounding. 2/ Forecast.

Table 52--Total red meat and poultry supply and utilization, carcass and retail weight 1/

Year	Total production	Beginning stocks	Imports	Total supply	Exports	Shipments	Ending stocks	Total disappearance	Per capita	
									Carcass weight	Retail weight
-----Million pounds-----									-----Pounds-----	
Total red meat and poultry:										
1988										
I	14,799	1,240	1,041	17,080	343	85	1,421	15,230	62.0	53.5
II	14,978	1,421	974	17,374	423	88	1,443	15,420	62.7	54.1
III	15,428	1,443	873	17,744	462	79	1,523	15,679	63.6	54.7
IV	15,583	1,523	706	17,812	501	103	1,288	15,921	64.4	56.1
Year	60,790	1,240	3,594	65,624	1,729	356	1,288	62,251	252.7	218.4
1989 2/										
I	14,794	1,288	833	16,915	495	87	1,328	15,005	60.5	52.5
II	15,498	1,329	796	17,623	601	87	1,444	15,491	62.4	54.2
III	15,639	1,444	791	17,875	606	87	1,442	15,740	63.2	55.0
Year	61,662	1,288	3,190	66,140	2,239	349	1,152	62,400	251.0	218.4
1990 2/										
Year	63,503	1,152	3,203	67,858	2,314	350	1,171	64,023	255.3	223.0

1/ May not add due to rounding. 2/ Forecast.

Table 53--Egg supply and utilization (population includes military) 1/

Year	Pro- duction	Beginning stocks	Breaking egg use	Imports 2/	Total supply	Exports	Ship- ments	Hatching egg use 3/	Ending stocks	Consumption	
										Total	Per capita
-----Million dozen-----											
Total eggs											
1988											
I	1,476.3	14.4	---	0.9	1,491.5	33.7	6.0	150.2	11.7	1,290.0	63.1
II	1,428.3	11.7	---	0.7	1,440.7	34.1	6.4	153.5	20.1	1,226.5	59.9
III	1,420.6	20.1	---	2.1	1,442.9	33.4	6.4	150.5	17.6	1,235.0	60.1
IV	1,445.9	17.5	---	1.6	1,465.1	40.6	6.5	150.0	15.2	1,252.8	60.9
Year	5,771.1	14.4	---	5.3	5,790.8	141.8	25.2	604.3	15.2	5,004.2	244.0
1989 4/											
I	1,389.3	15.2	---	1.9	1,406.3	23.7	6.5	155.1	11.7	1,209.3	58.6
II	1,393.9	11.7	---	8.2	1,413.8	21.2	6.5	164.8	12.2	1,209.0	58.4
III	1,387.5	12.2	---					161.2	11.6		
IV											
Year 5/	5,597.5	15.8	---	28.1	5,640.8	100.9	24.0	641.1	10.0	4,864.7	234.8
1990											
Year 5/	5,700.0	10.0	---	12.0	5,722.0	104.0	25.0	675.0	10.0	4,908.0	234.8
Shell eggs											
1988											
I	1,476.3	1.3	231.8	0.1	1,245.8	16.0	5.8	150.2	1.0	1,072.7	52.5
II	1,428.3	2.0	260.2	0.1	1,169.3	12.0	6.0	153.5	0.9	996.9	48.7
III	1,420.6	0.9	249.6	1.1	1,172.9	15.7	6.2	150.5	0.7	999.9	48.7
IV	1,445.9	0.7	234.7	1.0	1,212.9	23.2	6.4	150.0	0.3	1,033.0	50.2
Year	5,771.1	1.3	976.4	2.3	4,800.9	67.0	24.3	604.3	0.3	4,105.0	200.1
1989 4/											
I	1,389.3	0.3	219.6	1.4	1,171.3	9.1	6.2	155.1	0.48	1,000.4	48.5
II	1,393.8	0.5	257.3	7.6	1,144.6	9.7	6.3	164.8	0.81	963.1	46.5
III	1,387.5	0.8	245.1				4.1	161.2	0.69		

1/ Totals may not add due to rounding. 2/ Shell eggs and approximate shell-egg equivalent of egg products.

3/ Hatching for 1986-present calculated by the new method. 4/ Preliminary. --Not applicable for total egg supply and utilization. 5/ Forecast

Table 54--Selected price statistics for meat animals and meat, 1988-89

Item	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Dollars per cwt												
Slaughter Steers:												
Omaha												
Choice, 1000-1100 lb	70.07	71.21	72.35	72.92	75.75	75.31	74.52	71.71	70.74	71.09	68.44	69.69
Select, 1000-1100 lb	67.30	68.71	70.04	70.94	73.48	73.38	72.52	69.71	68.47	69.06	66.94	67.23
California												
Choice, 1000-1100 lb	71.95	70.94	72.63	74.56	76.63	74.56	73.25	70.69	72.13	73.88	70.00	72.88
Colorado												
Choice, 1100-1300 lb	73.17	73.10	73.75	74.82	78.51	77.77	75.39	71.86	71.35	73.17	69.25	72.24
Texas												
Choice, 1000-1100 lb	73.52	73.64	74.40	75.40	78.87	77.51	75.30	71.71	71.28	73.88	69.75	72.09
Slaughter heifers:												
Omaha												
Choice, 1000-1200 lb	70.31	71.23	72.48	73.19	76.80	76.57	75.03	71.63	70.44	71.32	68.29	70.08
Select, 900-1000 lb	65.88	66.81	68.46	69.54	72.85	72.98	71.98	68.88	68.06	68.50	65.50	66.56
Cows:												
Omaha												
Commercial	41.28	44.25	44.61	47.04	45.56	44.75	44.63	47.42	48.52	49.63	51.86	48.71
Breaking Utility	42.10	45.14	44.88	46.92	45.89	45.19	45.57	48.56	49.12	50.39	52.42	49.42
Boning Utility	45.72	45.92	47.11	51.29	48.33	47.58	47.00	49.83	50.42	51.35	52.67	51.54
Canner	38.48	39.83	40.86	45.04	42.10	40.42	39.71	43.33	43.29	45.00	46.31	44.08
Cutter	43.20	44.73	45.63	49.71	46.57	44.67	43.90	47.25	49.08	49.12	51.19	49.21
Vealers: 1/												
Choice, So. St. Paul	230.88	225.63	230.25	225.06	257.50	266.25	260.05	258.44	246.88	263.00	258.75	244.38
Feeder steers: 2/												
Kansas City												
Medium No. 1,												
400-500 lb	92.60	93.38	96.88	99.33	104.60	98.50	96.88	97.50	98.50	101.00	ng	ng
600-700 lb	83.90	86.13	86.00	85.56	84.45	82.63	83.50	85.38	87.13	88.40	88.63	88.25
All weights and grades	81.31	80.99	82.02	82.91	80.98	78.58	78.25	79.08	81.64	84.54	83.56	81.24
Okla. City												
Medium No. 1												
400-500 lb	102.05	101.64	104.30	106.35	107.50	101.94	96.12	105.35	103.70	103.82	100.42	100.71
600-700	86.41	88.10	87.87	87.86	85.98	84.11	81.38	87.10	89.54	88.48	87.01	85.62
700-800	83.31	85.46	84.45	84.50	80.63	76.25	77.30	82.47	84.22	85.34	83.88	83.32
Amarillo												
Medium No. 1,												
600-700 lb	81.70	82.83	86.38	85.50	82.70	79.50	80.90	83.17	86.67	85.30	82.00	83.88
Georgia Auctions												
Medium No. 1,												
600-700 lb	78.60	78.50	81.25	83.00	82.60	77.50	79.00	80.50	81.00	82.40	79.50	79.25
Medium No. 2,												
400-500 lb	81.60	81.67	86.25	88.25	89.20	84.63	83.40	86.13	87.33	87.10	84.13	83.13
Feeder heifers:												
Medium No. 1,												
Kansas City												
400-500 lb	83.30	82.88	86.69	87.75	89.25	85.83	84.70	86.50	88.25	89.75	ng	ng
600-700 lb	79.70	79.00	79.38	80.50	77.81	75.00	75.50	78.38	79.50	83.30	83.00	82.88
Okla. City												
400-500 lb.	87.49	92.02	90.10	92.08	90.58	88.03	84.36	87.83	88.27	89.84	87.53	87.64
600-700 lb.	78.99	80.22	80.92	81.31	79.35	75.53	73.87	79.31	82.14	83.06	80.88	80.05
Slaughter hogs:												
Barrows and gilts												
Omaha No. 1 & 2,												
230-240 lb	37.84	43.01	43.03	42.12	40.49	38.38	44.36	47.72	48.46	48.17	44.87	48.23
All weights	36.25	40.58	41.76	40.96	40.96	37.08	42.23	45.66	46.56	46.53	44.83	46.81
Sioux City	36.52	40.88	41.64	41.11	39.88	37.22	42.40	46.24	47.26	47.04	44.58	47.49
7 markets 3/	36.45	40.58	41.58	40.91	39.85	37.06	42.37	46.10	47.06	46.84	44.32	47.15
Sows:												
7 markets 3/	28.14	29.49	33.60	35.67	35.27	32.07	33.94	34.54	34.70	36.52	38.33	41.46
Feeder pigs:												
No. 1 & 2, So. Mo.,												
40-50 lb (per hd.)	27.99	29.17	35.25	34.18	39.55	34.74	34.24	28.85	24.25	30.00	30.72	37.27
Slaughter lambs:												
Choice, San Angelo	65.56	68.83	68.13	68.83	70.90	78.17	73.56	72.63	67.79	67.28	63.81	59.63
Choice, So. St. Paul	63.29	67.65	62.90	65.48	69.56	69.67	73.21	70.45	66.13	63.76	60.40	58.90
Ewes, Good,												
San Angelo	38.75	42.08	48.13	53.28	47.55	42.45	38.95	37.10	31.92	30.65	30.31	28.00
So. St. Paul	14.32	18.60	21.63	24.88	21.92	18.93	13.56	17.30	18.08	15.06	14.05	14.98
Feeder lambs:												
Choice, San Angelo	82.00	84.83	84.88	84.38	95.30	88.06	78.18	75.94	74.08	75.50	76.06	74.88
Choice, So. St. Paul	75.35	83.75	85.00	85.00	85.68	85.00	79.80	69.62	68.00	69.04	69.74	70.68
Farm prices:												
Beef cattle	66.70	67.20	70.60	71.50	72.00	70.00	68.80	67.60	68.00	69.70	68.20	67.40
Calves	87.80	88.60	92.80	95.90	94.00	90.50	91.20	94.20	94.70	94.20	91.10	90.20
Hogs	36.20	39.70	40.90	40.40	39.30	36.90	41.60	45.10	45.90	45.70	43.40	46.80
Sheep	27.80	29.10	34.20	34.50	30.30	25.40	21.60	22.20	24.60	23.40	23.20	22.50
Lambs	66.30	68.60	67.40	68.40	72.50	75.20	73.10	70.60	68.60	66.60	65.90	63.10

Table 54--Selected price statistics for meat animals and meat, 1988--Continued

Item	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Dollars per cwt												
Meat prices:												
Wholesale												
Central U.S. markets												
Steer beef, Choice												
600-700 lb	104.73	106.20	107.30	107.98	112.43	113.84	112.62	106.35	104.91	104.31	102.08	103.13
Heifer beef, Choice	104.49	106.22	107.39	107.90	112.36	113.63	112.49	106.35	104.91	104.23	102.04	103.13
Cow beef, Canner												
and Cutter	85.32	90.03	91.23	96.93	92.17	89.77	89.74	93.83	95.24	95.33	99.14	96.14
Boxed beef												
cut-out value 4/	112.37	112.45	113.62	114.30	117.09	118.58	118.53	114.53	113.17	112.83	110.08	110.04
Pork loins												
14-18 lb 5/	77.87	93.61	89.35	90.97	91.77	91.59	99.95	108.28	115.10	110.03	105.25	111.78
Pork bellies												
12-14 lb	33.64	34.82	36.91	31.41	30.19	25.49	29.11	32.90	31.52	28.82	34.23	36.88
Hams, skinned												
14-17 lb	78.08	65.50	65.80	67.11	63.00	61.60	63.30	64.00	64.23	68.00	69.13	80.56
Pork cut-out												
value 6/	52.88	56.97	56.11	56.18	54.87	52.96	58.42	62.56	63.59	64.38	61.84	65.53
East Coast:												
Lamb, Choice and Prime												
35-45 lb.	133.65	147.50	143.69	146.44	155.25	159.38	149.30	139.31	131.72	127.45	125.44	123.50
55-65 lb.	127.70	137.50	133.75	135.88	142.60	147.06	142.35	139.31	133.03	130.75	121.44	117.69
West Coast:												
Steer beef, Choice												
700-800 lb	106.13	106.58	110.97	112.19	117.30	118.94	116.97	111.19	110.44	109.90	107.38	108.63
Cents per lb												
Retail												
Beef												
Choice	260.4	260.0	264.3	265.2	269.5	269.8	271.9	268.1	271.6	269.5	270.9	
All Fresh	231.8	233.0	232.1	231.9	236.5	238.4	239.4	237.3	240.6	240.1	241.0	
Pork	178.0	177.4	181.1	179.3	179.7	179.5	177.1	179.1	182.8	184.6	184.4	
1982-84=100												
Price indexes: (BLS)												
Retail meats	113.0	112.7	114.0	114.3	115.5	115.6	115.6	116.1	116.7	117.5	117.7	
Beef and veal	114.7	114.6	116.0	116.6	119.0	119.0	119.6	119.3	119.5	119.7	120.0	
Pork	110.0	109.6	111.5	110.9	111.0	111.2	110.1	111.8	113.6	114.8	114.3	
Other meats	113.8	113.1	113.3	114.0	114.0	114.3	114.4	114.9	115.1	116.6	117.6	
Poultry	127.2	127.1	128.8	128.4	130.3	133.0	137.3	140.1	138.1	136.2	134.0	
Livestock-feed ratios												
Omaha: 7/												
Steer-corn	28.4	27.9	28.2	28.7	29.4	30.2	29.4	28.9	29.6	32.0	30.8	31.1
Hog-corn	14.7	16.2	16.4	16.3	15.4	14.8	16.8	18.5	19.6	20.9	19.8	20.8

1/ Beginning Sept. 10, 1988, prices reported per head. 2/ Reflects new feeder cattle grades. 3/ St. Louis N.S.Y. Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 4/ Beef, Choice 2-3 550-700 lb. 5/ Prior to 1984, 8-14 lb; 1984 and 1985, 14-17 lb; 1986, 14-18 lb. 6/ U.S. #2, 175 lb. carcass. 7/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight.

Table 55--Selected marketings, slaughter, stocks, and trade for meat animals and meat, 1988-89

Item	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
1,000 head												
Federally inspected:												
Slaughter												
Cattle	2,871	2,698	2,685	2,711	2,500	2,744	2,576	2,947	2,951	2,730	2,975	2,706
Steers	1,324	1,270	1,311	1,290	1,228	1,361	1,302	1,482	1,469	1,353	1,456	1,320
Heifers	934	797	790	827	786	817	743	884	929	882	949	853
Cows	555	579	537	544	445	518	480	526	496	442	507	477
Bulls and stags	57	52	47	50	41	49	51	55	57	53	62	56
Calves	197	202	203	196	175	194	152	157	161	169	189	173
Sheep and lambs	437	418	447	418	415	505	393	435	423	399	476	44
Hogs	7,887	7,909	7,703	7,116	6,619	7,569	7,199	7,277	6,881	6,131	7,392	7,493
Percentage sows	4.4	4.4	4.3	4.7	4.1	4.2	4.0	4.7	5.5	4.9	5.7	4.9
Pounds												
Average live wt per head												
Cattle	1,140	1,139	1,146	1,152	1,136	1,128	1,117	1,107	1,118	1,126	1,144	1,154
Calves	267	254	248	258	258	255	282	289	278	253	247	255
Sheep and lambs	123	124	126	126	127	126	128	125	120	120	118	120
Hogs	251	253	251	249	247	247	251	251	251	247	247	246
Average dressed wt												
Beef	683	677	681	686	684	675	669	665	673	681	692	696
Veal	161	154	150	156	157	155	167	179	172	156	149	155
Lamb and mutton	62	63	64	65	64	64	65	64	61	61	60	62
Pork	179	181	180	180	178	178	180	180	180	177	177	176
Million pounds												
Production												
Beef	1,954	1,818	1,822	1,852	1,705	1,844	1,717	1,954	1,979	1,852	2,050	1,874
Veal	31	30	30	30	27	30	26	28	27	26	28	26
Lamb and mutton	27	26	28	27	26	32	25	28	25	24	28	27
Pork	1,409	1,425	1,385	1,274	1,175	1,342	1,291	1,308	1,235	1,081	1,302	1,318
Commercial: 1/												
Slaughter												
Cattle	2,966	2,800	2,774	2,789	2,568	2,822	2,644	3,024	3,025	2,794	3,045	2,772
Calves	206	210	211	203	181	200	158	163	167	174	195	179
Sheep and Lambs	452	432	460	428	425	519	409	447	437	413	494	457
Hogs	8,096	8,138	7,946	7,332	6,791	7,763	7,380	7,480	7,079	6,295	7,587	7,680
Million pounds												
Production												
Beef	2,041	2,007	1,876	1,872	1,896	1,744	1,889	1,757	2,022	1,889	2,091	1,912
Veal	34	33	32	32	28	31	27	29	29	27	29	28
Lamb and mutton	28	27	29	27	27	33	26	28	26	25	29	28
Pork	1,443	1,463	1,425	1,310	1,204	1,373	1,321	1,341	1,266	1,107	1,333	1,349
Cold storage stocks: 2/												
Beef	296	300	317	315	313	298	273	244	242	249	242	233
Veal	3	5	5	7	7	7	7	7	6	6	6	5
Lamb and mutton	6	6	6	7	6	7	6	7	8	8	8	7
Pork	321	361	358	381	397	394	438	431	383	345	281	282
Total meat	654	701	716	745	762	749	767	735	686	654	579	560
Trade:												
Imports (carcass wt)												
Beef and veal 4/	155.4	163.3	112.4	226.7	161.7	178.1	166.8	187.3	179.1	193.3	186.3	
Lamb, mutton, and goat	2.8	3.3	3.4	6.3	4.5	5.7	6.3	5.6	5.6	5.6	5.6	
Pork	90.0	85.0	91.3	89.8	75.6	85.8	82.1	83.4	81.6	63.2	73.4	
Exports (carcass wt)												
Beef and veal 4/	69.1	74.9	61.5	54.3	62.4	94.9	81.9	92.1	97.3	101.8	99.8	
Lamb and mutton	0.2	0.1	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.3	
Pork	18.1	21.6	19.7	20.2	17.8	16.8	19.5	24.2	22.6	21.3	22.4	

1/ Federally inspected and other commercial. 2/ End of month. Beginning January 1977, excludes beef and pork stocks in cooler. 3/ Less than 50,000 lb. 4/ Beginning January 1989, veal trade is no longer reported separately.

Factors Affecting Growth in Turkey Consumption

by

Mark R. Weimar*

Abstract: Increased consumption of further processed and cut-up turkey products appears to be dependent upon expanding consumer disposable income, and turkey prices declining in real terms and relative to pork prices. Turkey demand seems to be closely related to pork production and prices, but not as closely to broilers and beef. New products also allow turkey to compete in new markets. In turn, producers respond to prevailing prices and the related net returns. Their past responses provide a good indication of next year's production, and therefore consumption.

Keywords: Turkeys, consumption, prices, demand, markets, further processing, production, supply response.

Turkey Demand and Supply Factors

Growth in per capita consumption of turkeys has been rapid during the 1980's, especially from 1984 through 1987. But can it be sustained? The growth can be partly explained by changes in the product being marketed, increased consumer buying power, lower real turkey prices, and a lower turkey price relative to pork and other meats. The ability of turkey producers to improve cost efficiency through better breeds and management techniques has also fueled the growth. Increasing vertical integration and concentration could have also lead to cost efficiencies through streamlined marketing functions and economies of scale.

Turkey consumption grew at a fairly steady pace from 1950 through the early 1980's. Most of the increased consumption was likely prompted by turkey producers who offered product at lower real and relative prices through 1983. From 1984 through 1987, however, per capita consumption climbed from 11.3 to 15.1 pounds, a 10-percent annual rate far outstripping the 3-percent annual rate from 1950 through 1984.

The rapid growth can likely be attributed to expansion into the new product forms rather than to lower real retail turkey prices and lower turkey prices relative to pork. Real turkey prices remained stable and relative prices, at least partially, moved counter to increased turkey consumption. The prices of further processed and cut-up turkey meat (such as commodity tom prices, canner tom prices, and turkey breast prices) support this hypothesis.

Whether the expansion can be continued will depend upon whether turkey producers succeed in: finding new markets;

reducing the real cost of production so they can offer turkey at lower real prices; and providing a lower-priced product relative to other meats. In other words, will they continue to increase their economic efficiency faster than their competitors?

The Changing Market for Turkey

The rapid expansion in turkey consumption during the 1980's has occurred mainly in the further processed and cut-up sectors rather than in whole birds, although industry sources estimate whole birds still comprise about 34-40 percent of total turkey consumption. The growth in the 1980's appears to be heavily correlated with processors providing manageable processed and cut-up products in fresh, frozen, and preserved form at the supermarket counter. These items include fresh thighs, drumsticks, breasts, ground turkey, and turkey sausage, all conveniently and competitively packaged.

Today's consumers are no longer limited to the choice of a 13 to 25-pound turkey or a 10- to 12-pound beef or pork roast. Rather, they can choose among similarly sized packages of turkey breast or thighs, or beef or pork roasts. Also, turkey tenderloin cuts and ground turkey compete directly with other fresh meats in the relatively easy- and fast-to-cook meat category that includes hamburger, pork chops, steaks, and boneless chicken breasts.

Increases in real disposable income have also contributed to turkey consumption growth. Further processed and cut-up products cost more to produce, and therefore have to be sold at a higher per-pound retail price to be profitable. Rising disposable income allows consumers to buy more product (even at higher prices) and remain within their budgets.

Statistical evidence indicates that as consumers earn more money, they spend more on poultry. People earning \$5,000

* Agricultural economist, Economic Research Service, USDA.

to \$9,999 spend only \$1.40 per week on poultry; people earning more than \$40,000 spend \$2.20 on poultry (8). But just because consumers pay more for poultry does not mean that they consume a greater quantity of it—prices may rise more than consumed quantity. However, an unpublished Economic Research Service demand model indicates that consumers increase their consumption by 4 percent for every 10 percent increase in their income. Therefore, a growing disposable income contributes to expanded turkey purchases, if all other demand factors remain the same.

Three indicators demonstrate the shift from whole bird to further processed and cut-up consumption, and consequently the rapid growth of consumption in the 1980's: eastern region hen prices versus eastern region tom prices, eastern region hen prices versus eastern region breast prices, and central region canner tom prices. Because toms are more valuable in further processing, a decrease in the price of hens relative to toms could reflect movement towards increased desirability of the tom for further processed turkey meat (fig. A-1). There is considerable variation in the relative prices, but hen prices appear to be at their strongest early in the year, while tom prices peak later. This pattern was especially evident between 1984 and 1986. Before 1984, toms were only sporadically worth more than hens.

In general, toms seem to be gaining value compared with the hens. However, when turkey production increases dramati-

cally, tom prices will likely be lower than hens even in the fall. For example, during 1987 tom prices moved from a 14-percent premium to an 11-percent discount.

The value of hens relative to turkey breast meat provides additional evidence of the growing quantities of breast meat demanded by the further processing market. Hens do not produce as much breast meat as toms. As the further processing market began gaining ground in the early 1980's, the value of commodity hens began to fall relative to breast meat. Furthermore, larger breasts commanded higher prices than 10- to 12-pound breasts, perhaps indicating the lower costs associated with handling the larger breasts and the premium paid by the foodservice industry for large and convenient breast sizes.

Changes in canner turkey prices in the central region reinforced the movement into further processed meat consumption, especially from 1984 to 1987, when the long-term consumption growth rate tripled. Demand in the further processing market apparently shifted as a scarcity of canner birds pushed up prices and per capita consumption of turkey exceeded that of the previous year.

Canner turkey prices rose from around 56 cents per pound in 1983 to nearly 72 cents in 1984, and then fell to 68 cents by 1986. However, per capita consumption climbed from 11.3 pounds in 1987 to 13.3 pounds in 1986, an 18-percent in-

Figure A-1

Relative Prices of Whole Hen Turkeys Versus Toms

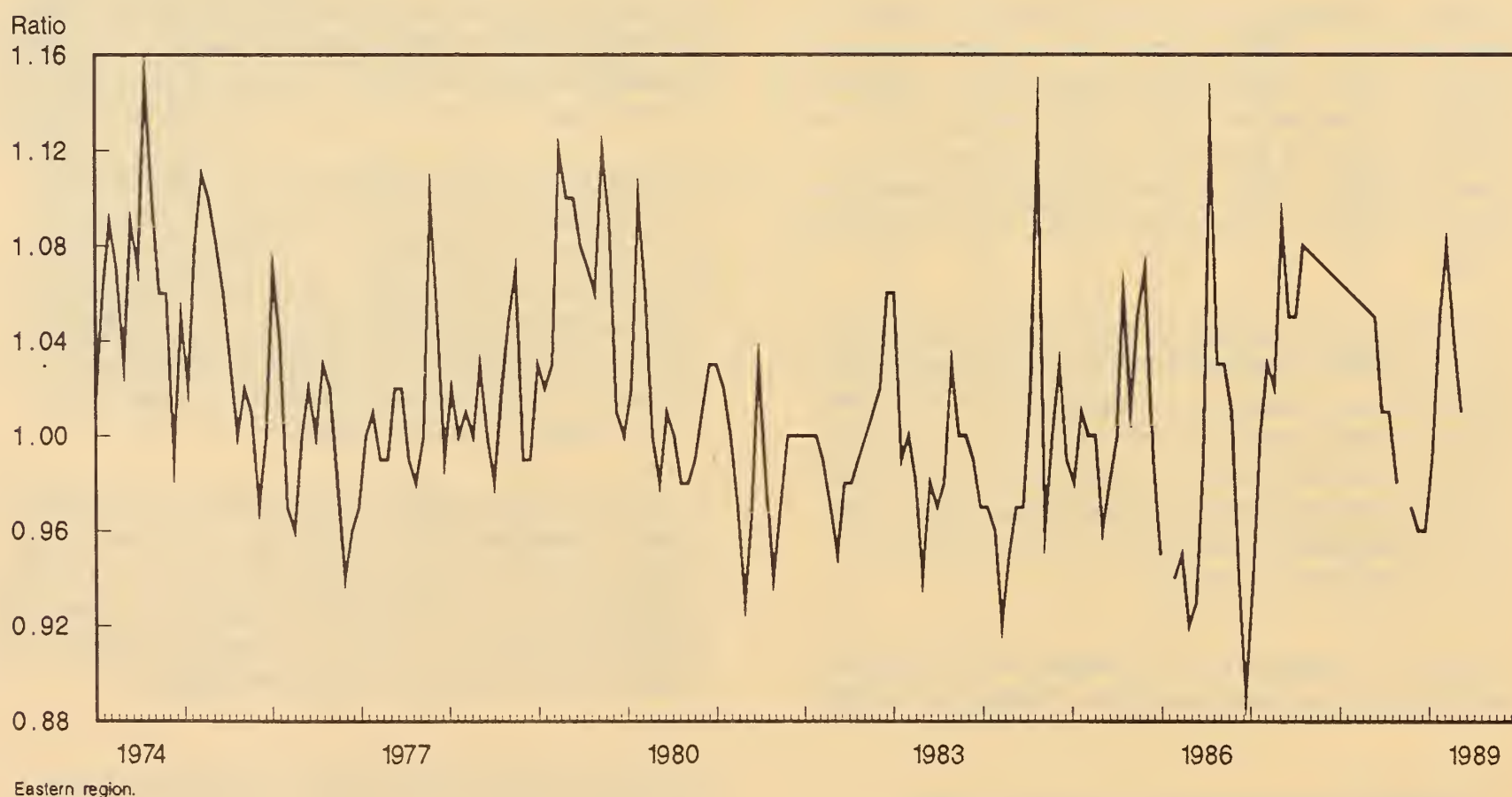
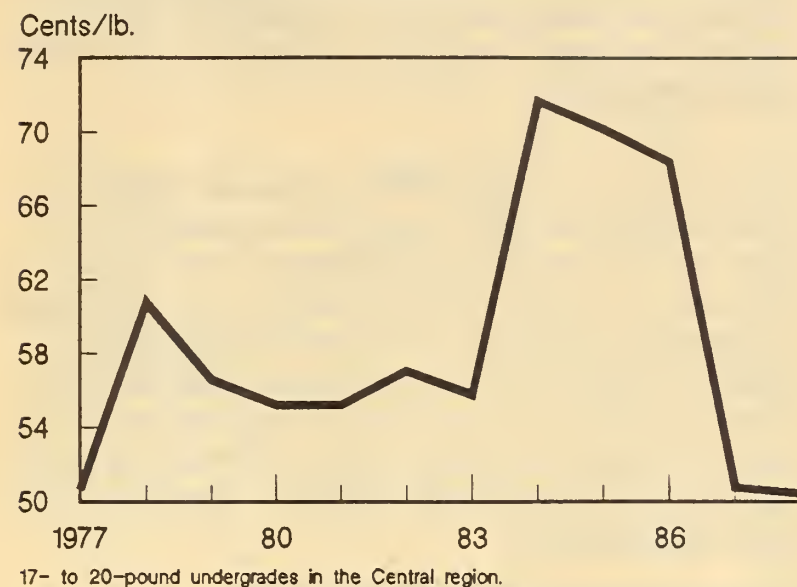


Figure A-2

Canner Tom Turkey Prices

crease over 2 years (fig. A-2). Canner tom prices were rarely higher than hen prices before 1984, but frequently surpassed hen prices between 1984 and 1986, another indication of the increased quantities of turkey demanded by the further processed and cut-up markets during that period.

The rapid decline in 1987 canner prices reflects the 19-percent gain in production and the inability of the further processed and cut-up markets to absorb the increase. Compared with canner tom prices, hen prices moved up substantially during 1987, another indication of the growth slowdown in the further processing market.

Turkey's Relative Position in the Meat Sector

Turkey's relative position in the meat sector is important in determining how market movements in other meat industries will affect turkey prices and production, and therefore consumption. Despite higher consumption since 1950, turkey still comprises the smallest share of the four major meats. By 1988, per capita turkey consumption had risen to nearly 16 pounds on a carcass-weight basis (fig. A-3). This compared with broilers at 61.9 pounds, pork at 66.7 pounds, and beef at 102.3 pounds.¹

USDA data indicated that per capita beef consumption climbed from nearly 60 pounds in 1950 to around 130 pounds in 1975. By 1978, per capita beef consumption had declined to about 100 pounds, where it has remained. Per

¹These numbers may not compare with other USDA tables on per capita meat consumption at first glance, because most per capita consumption numbers for red meat are reported on a retail-weight basis. Poultry per capita consumption numbers, however, are the same for both retail- and carcass-weight bases. So for the purposes of this study, red meat and poultry consumption were compared on a carcass-weight basis.

capita pork consumption peaked at about 90 pounds in the early 1950's. Per capita pork consumption, unlike that of beef, cycles up and down, going from as low as 60 to as high as 80 pounds. Per capita broiler consumption, like that of turkey, has increased steadily from nearly 8 pounds in 1950 to 62 pounds today. Turkey consumption has gone from 4 pounds per person in 1950 to nearly 16 pounds in 1988. However, the increase accelerated rather dramatically in the 1980's.

The changing composition of meat consumption has engendered a number of arguments about changing meat demand. Some analysts have claimed that beef and pork demand have shifted (3, 4), while others dispute this claim (1, 2). Similar arguments could be made by analysts looking at price-quantity relationships for turkey consumption (fig. A-4). The plot of retail price (deflated by the consumer price index (CPI)) versus per capita consumption indicates

Figure A-3

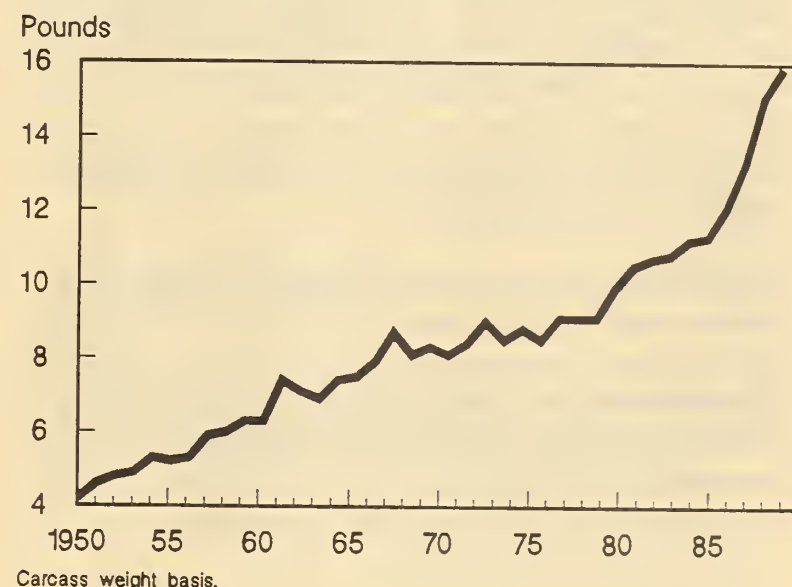
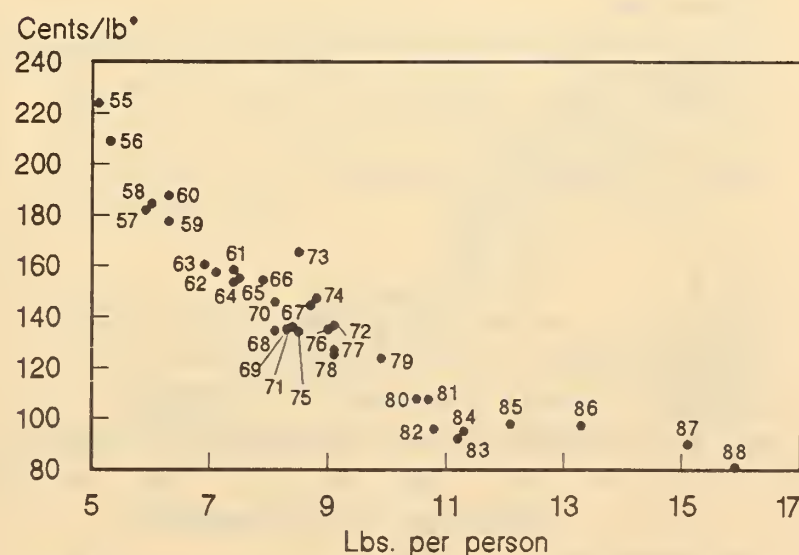
Per Capita Turkey Consumption

Figure A-4

Price Quantity Relationships for Turkey

that turkey consumption has not been especially price responsive in the last 5 years. But before 1984, a large amount of the turkey consumption growth could be explained by the lower real prices paid by consumers.

However, the prices consumers pay for other meats affect the price they are willing to pay for turkey. Pork consumption and prices apparently have a fairly close relationship with turkey consumption and prices (fig. A-5)—increases in the relative price of one leads to increases in consumption of the other. Increased turkey consumption relative to pork from 1955 to 1988 can be partly attributed to a declining relative turkey price, except for 1982 through 1985. During those years, relative turkey prices decreased while relative consumption remained the same or rose slightly.

The relationship between pork and turkey holds particularly well for pork hams and turkey breast. Dividing the ham price by the breast price and comparing cycles in hogs and turkeys for the same periods demonstrates how demands for particular cuts of different meats interact. From 1980 to 1982, pork production was in a down cycle. As ham quantities fell relative to turkey breast supplies, ham prices rose relative to turkey breast prices. During 1986 to 1988, turkey production increased dramatically compared with pork, and the relative price of ham rose. Then, as turkey production was scaled back in late 1988 and early 1989, breast prices began to rise relative to ham.

Several buying decision criteria indicate that turkeys and broilers would be highly competitive and have a relatively tight relationship because they are both poultry products. These decision criteria include the cooking ease, product size, meat type and relative prices of the choices available. For example, if the price of chicken rose relative to turkey, people would buy less chicken and more turkey.

Yet no predictable price and consumption responses between turkey and chicken can be found for 1955 to 1988, especially between 1980 and 1985, when their relationship showed sideways and vertical movements. Thus, there was no predictable relationship which might indicate further growth in turkey consumption.

There also does not appear to be a predictable relationship between turkey and beef. Relative consumption to relative price formed a vertical scatter pattern between 1957 and 1978 and a V between 1979 and 1988 (fig. A-6). The erratic nature of the relationship in the earlier period might be explained by turkey's specialty meat image before the 1980's. Turkey may not have truly competed in the same market as beef. But turkey cuts began to compete directly with beef in the mid-1980's, and a relationship may be developing that is as yet undocumented.

Turkey Production Response and Timing

Due to the biological nature of turkey production, the prices received for it today will impact the quantity available for consumption next year through profitability as measured by net returns. The level of production next year depends primarily on producers' past profitability and their expectations of profitability next year. Production response does appear to lag about 1 year when annual numbers are used. Lagging real net returns (net returns divided by the CPI) 1 year and plotting them in relation to the production response the following year indicates a fairly strong relationship (fig. A-7). Production increases when net returns are positive and decreases when they are negative.

Only the response associated with net returns in 1973 is an anomaly, can probably be explained by the uncertainties of that year. Wage and price controls were in effect, and a sud-

Figure A-5

Price Quantity Relationships for Pork Versus Turkey*

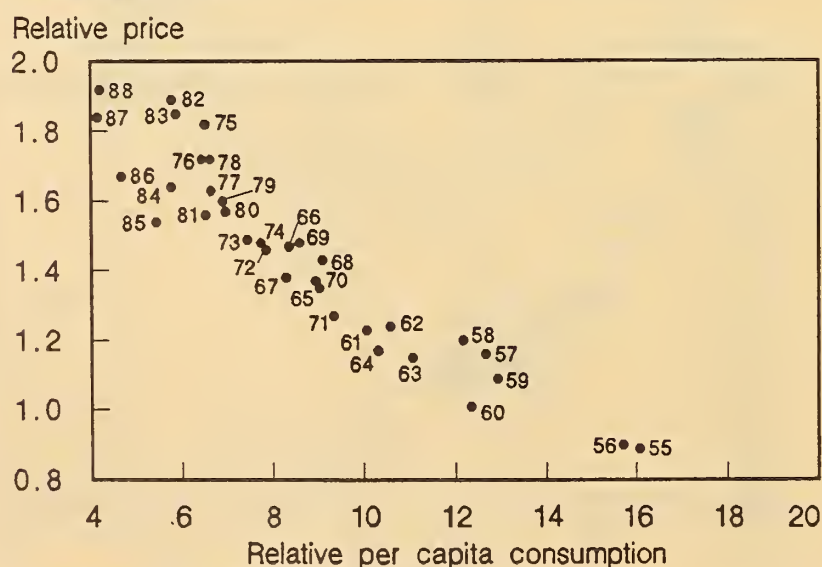


Figure A-6

Price Quantity Relationships for Beef Versus Turkey*

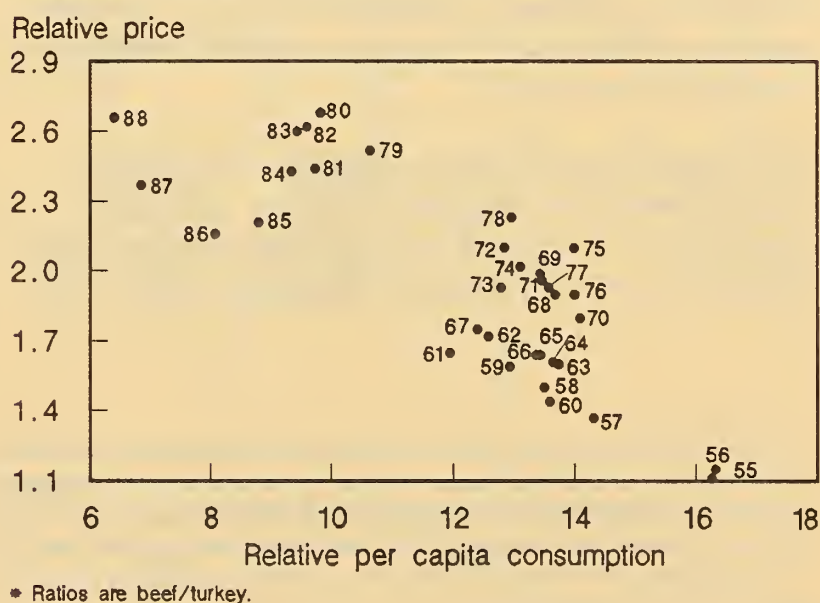
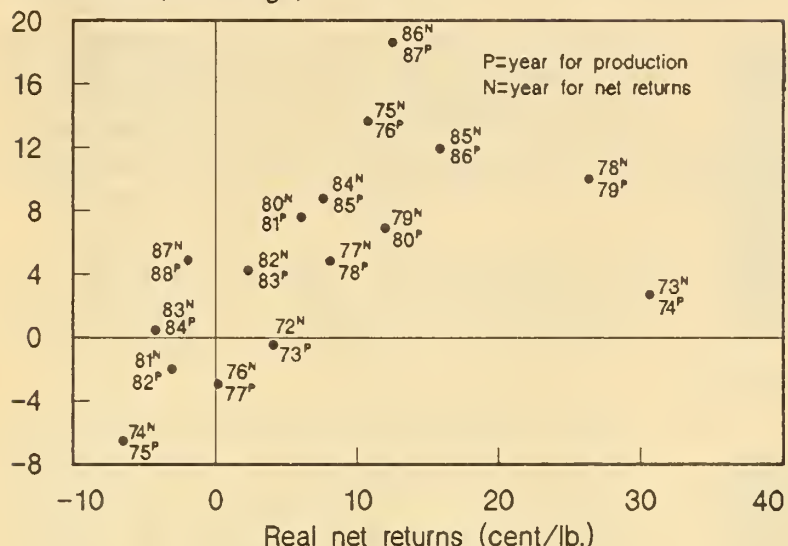


Figure A-7

Turkey Producer Response to Net Returns Lagged 1 Year

Production (% change)



den increase in exports drove up feed costs. This uncertainty may have affected producers' decisions, causing them to limit production increases despite the high level of profitability. Apart from this notable exception, producers seem to have responded rationally to net returns, even between 1986 and 1988, when production increases were considered over-reactions to profitability. Thus, the interaction of the turkey sector with other meats will determine this year's prices, which in turn will impact next year's production.

Conclusions

Until 5 years ago, turkey producers appear to have expanded turkey consumption by offering their product at lower real prices. Since then evidence indicates that the growing number of market forms available for consumers may have kept whole bird turkey values constant in real terms, a fact that might explain the rapid consumption gains of the mid-1980's. However, the further processing market has shown an inability to absorb sharp increases in production, especially in 1987 and 1989, indicating processors may need to open new markets to maintain this rapid growth.

Before 1984, producers were able to keep down the real price for turkey through increased feed efficiency and rate of growth by improvements in turkey breeder stock, feeding practices, and housing management. Increased vertical integration and concentration may also have lowered costs. Yet the rate of this technological growth appears to be slowing. Data indicate that turkey cost efficiencies are not being realized as steadily as in the past. Future gains in turkey con-

sumption may depend on reducing real production costs and price relative to competitors, opening new markets for turkey products, and increasing consumer disposable income.

References

1. Dahlgran, Roger A. "Re: Purcell's Beef Demand." *Choices*. The American Agricultural Economics Association, Herndon, VA, Vol. 4, No. 3, Third Quarter 1989, pp. 39-40.
 2. Johnson, D. Gale. "Continuity and Change in the Beef Industry." Paper presented at National Broiler Council Conference, Washington, DC, October 13, 1989.
 3. Lambert, Chuck. "Re: Purcell's Beef Demand." *Choices*. The American Agricultural Economics Association, Herndon, VA, Vol. 4, No. 3, Third Quarter 1989, pp. 41-41.
 4. Purcell, Wayne D. "The Case of Beef Demand: A Failure by the Discipline." *Choices*. The American Agricultural Economics Association, Herndon, VA, Vol. 4, No. 2, Second Quarter 1989, pp. 16-19.
 5. *Egg and Poultry Statistics Through Mid-1961*. Washington, DC: U.S. Department of Agriculture, Economic Research Service, Statistical Reporting Service, and Agricultural Marketing Service, Statistical Bulletin 305, March 1962.
 6. *Livestock and Meat Statistics, 1983*. Washington, DC: U.S. Department of Agriculture, Economic Research Service, Statistical Bulletin 715, December 1984.
 7. *Livestock and Poultry Situation and Outlook Reports*. Washington, DC: U.S. Department of Agriculture, Economic Research Service, LPS series, various issues.
 8. *Meat Facts*. Washington, DC: American Meat Institute, 1989 edition, August 1989.
 9. *Poultry Market Statistics: Annual Summary, Federal-State Market News, In Cooperation with State Departments of Agriculture*. Washington, DC: U.S. Department of Agriculture, Agricultural Marketing Service, various issues.
- Weimar, Mark R. and Shauna Cromer. *U.S. Egg and Poultry Statistical Series, 1960-87*. Washington, DC: U.S. Department of Agriculture, Economic Research Service, Statistical Bulletin 447, April 1989.

List of Tables

	Page
1. Livestock, poultry, and egg production and prices	4
2. Federally inspected turkey slaughter	5
3. Turkey hatchery operations	5
4. Turkey prices and price spreads	6
5. Turkeys: Number raised	7
6. Federally inspected young chicken slaughter	7
7. Broiler chicks hatched and pullet chicks placed in hatchery supply flocks	8
8. Broilers: Eggs set and chicks placed weekly in 15 commercial States	9
9. Estimated costs and returns	10
10. Young chicken prices and price spreads.	11
11. Layers on farms and eggs produced	11
12. Force moltings and light-type hen slaughter	11
13. Egg-type chick hatchery operations	12
14. Shell eggs broken and egg products produced under Federal inspection	12
15. Egg prices and price spreads	13
16. U.S. broiler exports to major importers	14
17. U.S. mature chicken exports to major importers	14
18. U.S. egg exports to major importers	15
19. U.S. turkey exports to major importers.	16
20. Farrow-to-finish hog production costs and returns	17
21. Corn Belt hog feeding	18
22. Hogs on farms, farrowings, and pig crops, United States	19
23. Hogs on farms, farrowings, and pig crops, 10 States	19
24. Sow slaughter balance sheet, United States	20
25. Commercial hog slaughter and production	20
26. Federally inspected hog slaughter	20
27. Summer pig crop and hog slaughter	21
28. Fall pig crop and hog slaughter	21
29. Winter pig crop and hog slaughter	21
30. Spring pig crop and hog slaughter	22
31. Pork: Retail, wholesale, and farm values, spreads, and farmers' share	23
32. U.S. pork trade, carcass weight	23
33. U.S. live hogs trade	24
34. October 1 feeder cattle supply	25
35. 13-States cattle on feed, placements, marketings, and other disappearance	25
36. Cattle on feed, placements, and marketings, 13 States	26
37. 7-States cattle on feed, placements, and marketings	26
38. Calf slaughter by class under Federal inspection	28
39. Commercial calf slaughter and production	28
40. Federally inspected cattle slaughter	29
41. Commercial cattle slaughter and production	30
42. Beef: Retail, carcass, and farm values, spreads, and farmers' share	30
43. Corn Belt cattle feeding.	31
44. Great Plains custom cattle feeding	32
45. U.S. live cattle trade	33
46. Imports of feeder cattle and calves and hogs from Canada and Mexico	33
47. U.S. beef and veal trade, carcass weight	34
48. Commercial sheep and lamb slaughter and production	34
49. Average retail price of specified meat cuts	36
50. Red meat supply and utilization	37
51. Poultry supply and utilization	38
52. Total red meat and poultry supply and utilization	39
53. Egg supply and utilization	39
54. Selected price statistics for meat animals and meat	40
55. Selected marketings, slaughter, stocks, and trade for meat animals and meat	42

The Latest Issue of National Food Review Offers A World View of Food and Agriculture

National Food Review, a quarterly periodical from USDA's Economic Research Service, brings readers the latest developments in food prices, product safety, nutrition programs, food consumption, and marketing.

The October-December 1989 issue (Vol. 12, Issue 4) offers a unique look at food and agriculture from an international perspective.

Changes in the world economy have altered the environment for agricultural trade, greatly affecting the demand for U.S. farm products abroad. Many countries are moving to more market-oriented agricultural policies by reducing subsidies and trade barriers. Plans for Europe 1992 and Soviet reforms represent special challenges for the U.S. food industry. Articles in this issue include:



Agricultural Trade Reform



- **Rethinking World Agricultural Policies.** Major players in world agricultural trade are reconsidering policies formulated over the last 50 years.
- **How the World Economy Affects Agriculture.** Flexible exchange rates and expanding world financial markets have changed the environment for agricultural trade.
- **Europe 1992: Implications for Food and Agriculture.** The European Community plans to remove all trade barriers among member countries by the end of 1992.
- **The Soviet Food Complex in a Time of Change.** Controlled retail pricing and rising incomes are fueling food shortages in the USSR.
- **World Food Expenditures.** Americans devoted a smaller share of their expenditures to food than consumers in 46 other nations.

National Food Review — 4 annual issues

		1 Year	2 Years	3 Years	Single copy-Vol. 12, Iss. 4
<input type="checkbox"/> Bill me.	Domestic	\$10.00	\$19.00	\$27.00	\$5.50
<input type="checkbox"/> Enclosed is \$_____.	Foreign	\$12.50	\$23.75	\$33.75	\$7.00

Mail to:

ERS-NASS
P.O. Box 1608
Rockville, MD 20849-1608

Name _____

Organization _____

Address _____

City, State, ZIP _____

Daytime phone (____) _____

Use purchase orders, checks drawn on U.S. banks, cashier's checks, or international money orders.

Make payable to ERS-NASS.

Credit Card Orders: ☐ MasterCard ☐ VISA Total charges \$_____.

Credit card number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Expiration date:

Month/Year	

For fastest service, call toll free, 1-800-999-6779 (8:30-5:00 ET)

Get these timely reports from USDA's Economic Research Service

These periodicals bring you the latest information on food, the farm, and rural America to help you keep your expertise up-to-date. Order these periodicals today to get the latest facts, figures, trends, and issues from ERS.

Agricultural Outlook. Presents USDA's farm income and food price forecasts. Emphasizes the short-term outlook, but also presents long-term analyses of issues ranging from international trade to U.S. land use and availability. 11 issues annually. 1 year, \$22; 2 years, \$43; 3 years, \$63.

Farmline. Concise, fact-filled articles focus on economic conditions facing farmers, how the agricultural environment is changing, and the causes and consequences of those changes for farm and rural people. 11 issues annually. 1 year, \$11; 2 years, \$21; 3 years, \$30.

National Food Review. Offers the latest developments in food prices, product safety, nutrition programs, consumption patterns, and marketing. 4 issues annually. 1 year, \$10; 2 years, \$19; 3 years, \$27.

Economic Indicators of the Farm Sector. Updates economic trends in U.S. agriculture. Each issue explores a different aspect of income and expenses: national and State financial summaries, production and efficiency statistics, costs of production, and an annual overview. 6 issues annually. 1 year, \$12; 2 years, \$23; 3 years, \$33.

Rural Development Perspectives. Crisp, nontechnical articles on the results of new rural research and what those results mean. 3 issues annually. 1 year, \$9; 2 years, \$17; 3 years, \$24.

The Journal of Agricultural Economics Research. Technical research in agricultural economics, including econometric models and statistics focusing on methods employed and results of USDA economic research. 4 issues annually. 1 year, \$7; 2 years, \$13; 3 years, \$18.

Foreign Agricultural Trade of the United States. Updates the quantity and value of U.S. farm exports and imports, plus price trends. 8 issues annually. 1 year, \$20; 2 years, \$39; 3 years, \$57.

Situation and Outlook Reports. These reports provide timely analyses and forecasts of all major agricultural commodities and related topics such as finance, farm inputs, land values, and world and regional developments. Each *Situation and Outlook* title costs 1 year, \$10; 2 years, \$19; 3 years, \$27. Titles include:

<i>Agricultural Exports</i>	<i>Cotton and Wool</i>	<i>Oil Crops</i>	<i>Vegetables and Specialties</i>
<i>Agricultural Income and Finance</i>	<i>Dairy</i>	<i>Rice</i>	<i>Wheat</i>
<i>Agricultural Resources</i>	<i>Feed</i>	<i>Sugar and Sweeteners</i>	<i>World Agriculture</i>
<i>Aquaculture</i>	<i>Fruit and Tree Nuts</i>	<i>Tobacco</i>	<i>World Agriculture Regionals</i>

Also available: *Livestock and Poultry*: 1 year, \$15; 2 years, \$29; 3 years, \$42.

Add 25 percent for shipments to foreign addresses (Includes Canada). Sorry, no refunds.

**To subscribe to these periodicals, or for more information,
call toll free 1-800-999-6779 (8:30-5:00 ET) , or write to:**

ERS-NASS
P.O. Box 1608
Rockville, MD 20849-1608

ERS-NASS Video Tapes

☐

ERS: Economic Research for American Agriculture

An historical account of the role of economic research in the success of American agriculture.

16 1/2 minutes.

Order No. VT001 \$15.00

☐

Today and Tomorrow

The U.S. Department of Agriculture's Outlook program analyzes the current situation for U.S. and world crops, and provides a forecast of future supplies and prices. "Today and Tomorrow" is an overview of the USDA Outlook program from its beginning in the 1920's, to the current comprehensive program of research and analysis.

23 minutes.

Order No. VT002 \$15.00

☐

The Need To Know

Begins with a futuristic "what if?" opening, and then proceeds to outline the history, significance, and contributions of agricultural statistics and USDA's National Agricultural Statistics Service.

23 minutes.

Order no. VT003 \$15.00

☐

Your Hometown

"Your Hometown" is an informative and entertaining look at small town rural America. Originally seen on public television stations nationwide, and narrated by James Whitmore, the program focuses on three rural communities where citizens use innovative thinking and teamwork to revitalize their own towns.

1 hour.

Order No. VT004 \$15.00

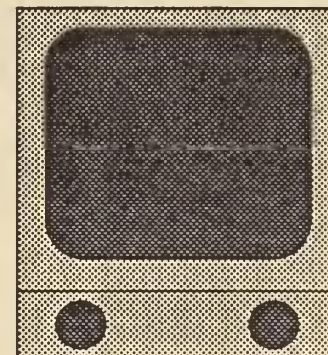
☐

Alternative Agriculture: Growing Concerns

Can U.S. farmers produce at a profit while practicing low-input, sustainable agriculture (LISA)? "Growing Concerns" investigates the benefits and drawbacks of LISA. An excellent overview, this documentary was originally seen as a five-part series on national television.

19 minutes.

Order No. VT005 \$15.00



For fastest service, call toll free, 1-800-999-6779 (8:30-5:00 E.T.)

- Check selections above.
- Use purchase orders, checks drawn on U.S. banks, cashier's checks, or international money orders.
- Make payable to ERS-NASS.
- Add 25 percent extra for shipments to foreign addresses (including Canada).
- Sorry, no refunds

Name _____

Organization _____

Address _____

City, State, Zip _____

Daytime phone _____

☐

Bill me.

Enclosed is \$ _____

☐

MasterCard

☐

VISA

Total charges \$ _____

Credit card
number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Expiration
date

--	--	--	--

Month Year

Mail to: **ERS-NASS**
P.O. Box 1608
Rockville, MD 20849-1608

United States
Department of Agriculture
1301 New York Avenue N.W.
Washington, D.C. 20005-4788

OFFICIAL BUSINESS
Penalty for Private Use, \$300

FIRST - CLASS MAIL
POSTAGE & FEES PAID
U.S. Dept. of Agriculture
Permit No. G - 145

Moving? To change your address, send this sheet with label intact, showing new address, to EMS Information, Rm. 228, 1301 New York Ave., N.W. Washington, D.C. 20005 - 4788

What's Your Subscription Situation?

Your subscription to *Livestock and Poultry* expires in the month and year shown on the top line of your mailing label. **The expiration date will appear in one of two formats:** FEB89 (for February 1989) or 890430 (for April 30, 1989). Disregard this notice if no renewal date appears. Renew today by calling, toll free, 1-800-999-6779, or return this form with your mailing label attached.

Livestock and Poultry Situation and Outlook

Renewal

<input type="checkbox"/> Bill me.				
<input type="checkbox"/> Enclosed is \$_____.	Domestic	1 Year	2 Years	3 Years
		\$15.00	\$29.00	\$42.00
	Foreign	\$18.75	\$36.25	\$52.50

Mail to:

ERS-NASS
P.O. Box 1608
Rockville, MD 20849-1608

Use purchase orders, checks drawn on U.S. banks, cashier's checks, or international money orders.
Make payable to ERS-NASS.

ATTACH MAILING LABEL HERE

Credit Card Orders:

<input type="checkbox"/> MasterCard	<input type="checkbox"/> VISA	Total charges \$_____.
-------------------------------------	-------------------------------	------------------------

Credit card number:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Expiration date:	<input type="text"/>	<input type="text"/>
																			Month/Year	

For fastest service, call toll free, 1-800-999-6779 (8:30-5:00 ET)